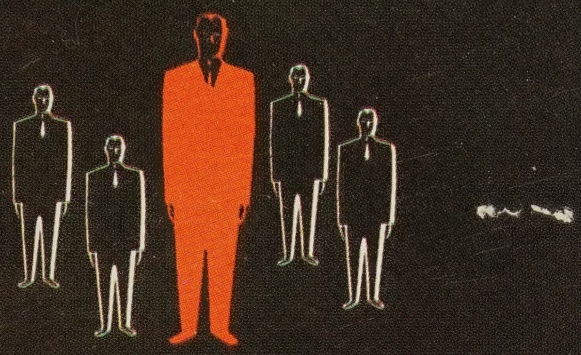
Management METHODS

OCTOBER 1960

PRACTICAL SOLUTIONS TO ADMINISTRATIVE PROBLEMS



WHO MAKES THE DECISIONS TO BUY IN BUSINESS?

SPECIAL RESEARCH REPORT

STOP rackets & gyps that cheat employees

Is now the time to **LOOK** at a company plane?

LISTEN! an expert talks about pitfalls in plant site selection

SEE COMPLETE CONTENTS ON PAGE 2

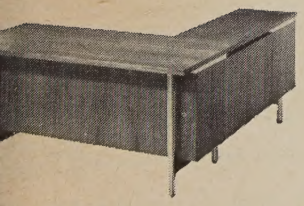
Wood parts made with precision form a background for the quantity production of the Template Group by the Leopold Compar

I hate niggers

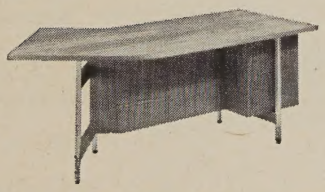
The Template Group by Leopold: High styled furniture for every office

Conceived in the architectural thinking of today, The Template Group blends sharp contrasts of form with a delightful interplay of proportions. The fully skirted, or closed desks appear chunky —almost boxy. This massiveness, however, is offset by the light lines of the metal legs, which hold it off the floor. Further lightness is accomplished by "lifting" the top from the blockish mass of drawer cases with a narrow band of color. Every component is completely functional by itself, or in combination with others. Surface, drawer and cabinet arrangements may be planned to suit individual requirements. You may see the many modular components of The Template Group at your Leopold dealer's showroom. He will be pleased to help you in your complete office design.

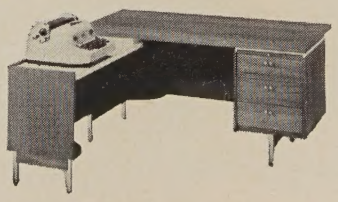
THE LEOPOLD COMPANY, BURLINGTON, IOWA



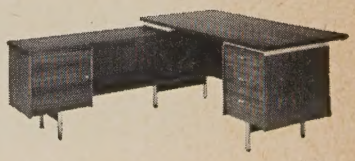
Executive L desk with 44" return, pedestals right or left side.



Conference desk with free form or rectangular overhanging top.



Bi-level L desk, 30" return, with or without paper rail.



Bi-level L desk, 44" return, with or without paper rail.

Designer: Charles Deaton

(Circle number 137 for more information)

Management
METHODS

October 1960

Who makes the decision to buy in business? 48
Startling new facts—just uncovered by Management Methods research—reveal top management's role in buying. You may alter your entire marketing plan.

Don't take the obvious for granted in plant site selection 57
It's easy to get "stung" on a new plant site. Actual cases show it happens to firms every day. Here's why it's vital to examine everything *about a new site.*

How to protect your employees from rackets and gyps 60
Employees victimized by swindles or gyps may become company liabilities. This article tells why, gives facts on some common types of gyps and rackets.

Is now the time for you to consider a company plane? 63
Can a plane bring you profit? How do you pick the right one? How about insurance, pilots, hidden costs? Here are answers to these and other key questions.

Associations that can serve you 69
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Are you spending enough on R&D? (Here's what other firms are doing) 86
Future growth and profits may depend on how much you spend on research and development. Use these facts as a yardstick to see if you are keeping pace.

How to get an office with a view 90
Here are the offices of an ad agency that moved to the suburbs to get out of city dirt and traffic. There are multiple advantages plus a relaxed atmosphere.

Editor: Richard R. Conarroe; **Feature Editor:** Kent McKamy; **Associate Editor:** Alice Honore Drew; **Art Director:** Laurence Lustig; **Production Manager:** Virginia E. Ray; **Art Production Manager:** Joan Longnecker; **Production Assistant:** Elaine Lesta; **Copy Editor:** Harriet Robbins; **Editorial Consultant:** Leslie M. Slote; **Sales Promotion Manager:** Frederick L. Bunting; **Director of Sales Development:** Joseph J. Hanson; **Circulation Supervisor:** James R. Vinisko

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OLUME 19 NO. 1

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A better way to run a business 80
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Coming next month

If you aren't doing business with Europeans now, you will be soon. In the coming "one world" of business, the European manager will be a valuable partner—or formidable opponent. To deal with him, you must understand him. Next month, MANAGEMENT METHODS presents the key facts about European managers, written by an executive who has studied businessmen all over the Continent.

Also, there will be a fact filled article on air freight, prepared by the MANAGEMENT METHODS Research Staff. It tells who is—and who isn't—using air freight, plus the reasons why.

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In United States and Possessions, one year $5.00; two years $9.00. Canada and Mexico one year $6.00. Foreign subscriptions $10.00. Single copies $.75. When possible, back issues or tearsheets of articles will be provided. Enclose $1.00 for each back issue and $.50 for each back article requested, to cover costs of handling.

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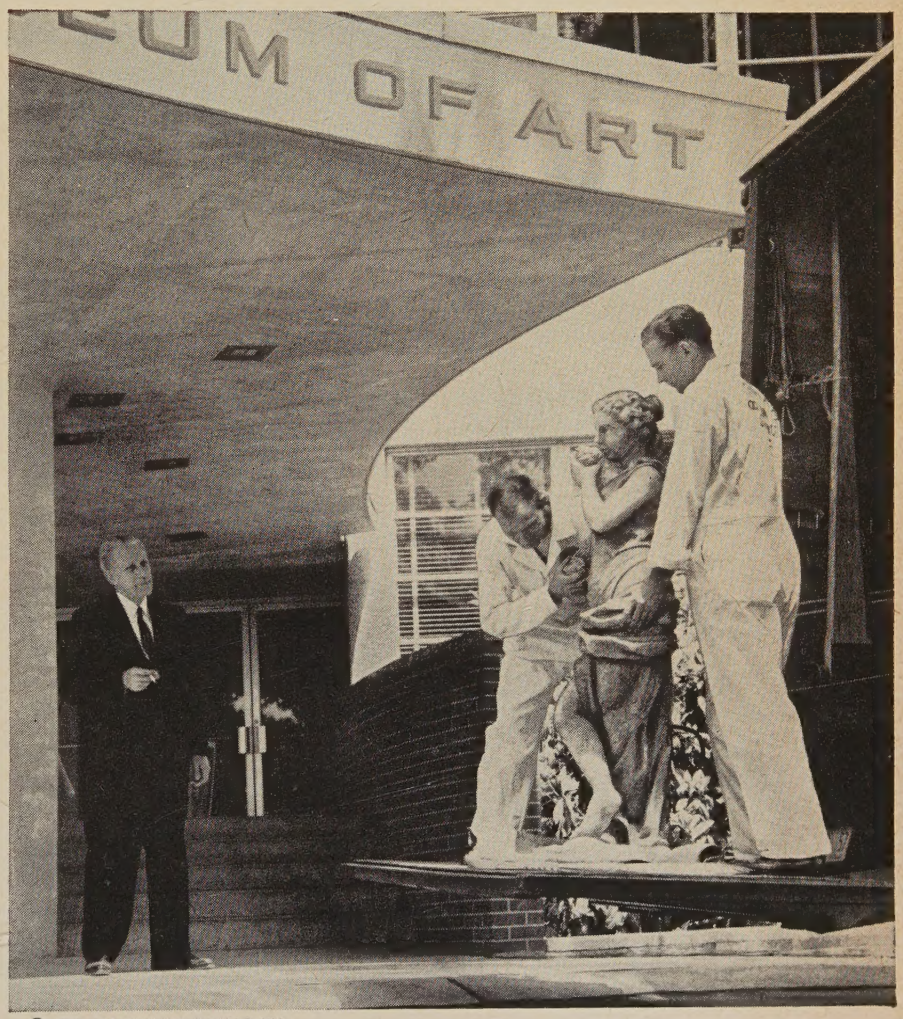

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AGENTS
Find the man from Burnham Van in the Yellow Pages

BURNHAM VAN SERVICE, INC., COLUMBUS, GA.

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Motivating ~~minutes~~ ~~that increase~~ ~~your production~~

Shines

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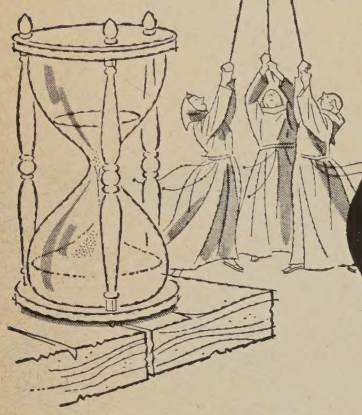
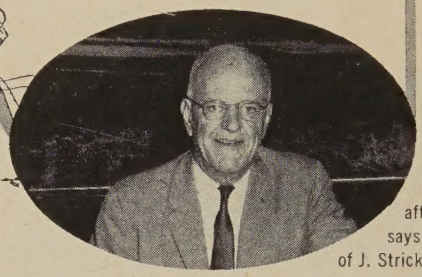
Impossible



Muzak reduces error rate by reducing tension caused by boredom and fatigue.



Muzak increases production: "Production increased 16½% after the installation of Muzak," says George B. Long, president of J. Strickland & Company, Memphis.

Muzak reduces tardiness, absenteeism and employee turnover because it makes jobs more interesting and helps work go better.

Because timing of music was so important to the monks of Chartres Cathedral, one of them invented the hourglass so their special music would always be heard at specific times. Today, *timed*, minute-by-minute programming of music is even more important for the motivation of office and factory workers.

That is why Muzak's special music is always programmed throughout the work day at exactly the right times—minute-by-minute—to offset boredom, fatigue and tension. Its results can be measured in increased production, lessened worker tension, error rate, tardiness and absenteeism. For example, at J. Strickland & Company, leading cosmetic manufacturer of Memphis, Tenn., production increased 16½% after the installation of Muzak.

Based on 25 years of psychological research, Muzak's unique work-motivating music programming formula is copyrighted, and only Muzak shows scientifically measured proof of its benefits.

In 216 localities in the U.S., and other places throughout the world, there are Muzak specialists who survey, estimate, install and service Muzak equipment. Whatever your problem, they can help you to solve it.

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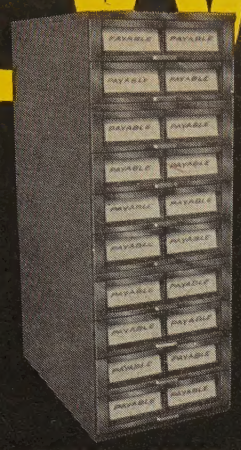

20 DRAWER
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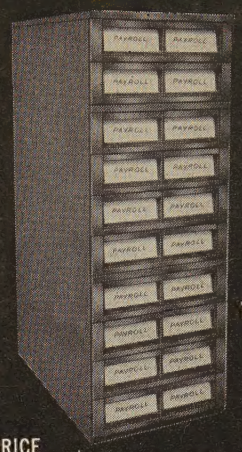
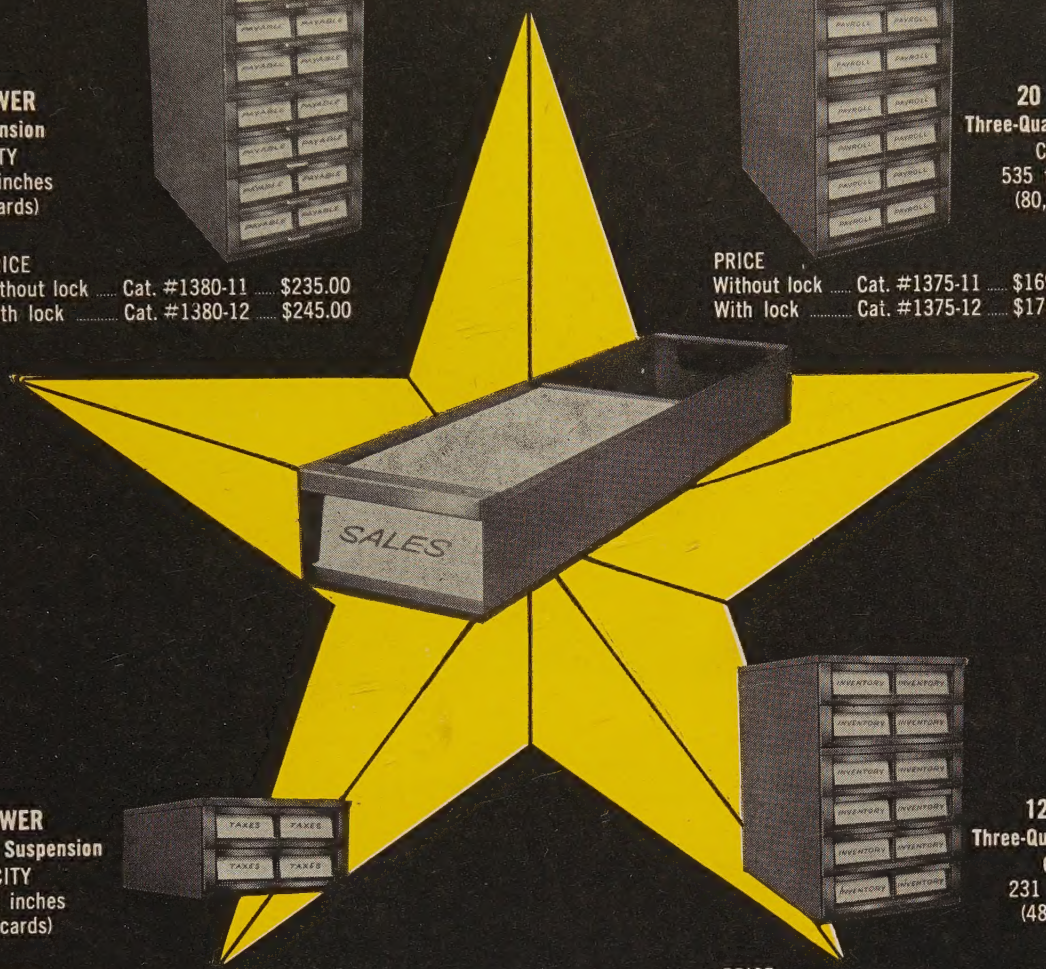


20 DRAWER
Three-Quarter Suspension
CAPACITY
535 filing inches
(80,250 cards)

PRICE
Without lock ..... Cat. #1375-11 ..... $169.50
With lock ..... Cat. #1375-12 ..... $178.50



4 DRAWER
Three-Quarter Suspension
CAPACITY
107 filing inches
(16,050 cards)

PRICE
Without lock ..... Cat. #1390-11 ..... $59.50
With lock ..... Cat. #1390-12 ..... $66.50

12 DRAWER
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The tray which fits all files is the basic part of the new line. It gives positive compression, is light in weight and high sided to protect the cards. Full card labeling and self-stacking too.

In addition to the files shown, a new transfer file will be added soon, to give you the best, but least expensive storage for your inactive records. The same tray will be used.

Send for a brochure giving complete details on the new Gold Star line or call your local Wright office.

Prices F.O.B. Worcester

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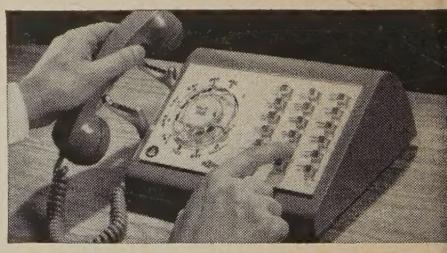
No—but he'll show you how practical, up-to-date communications can help you run it more efficiently and profitably. He'll study your business operations, the layout of your premises and your present communications. Then he'll make his recommendation.

"Will he try to sell me more equipment?"

If you need it—yes. He may end up merely showing you how to use the equipment you *have* to better advantage. But Bell System research has produced some outstanding new equipment and systems, such as the Call Director telephone at the right. If there's a place for them in your business—if they can definitely improve your operations and your profit picture—you'll *want* them.

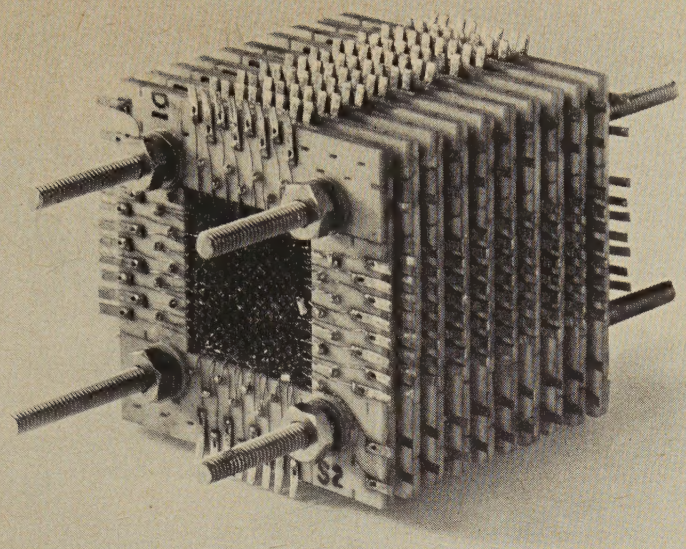
"How can I meet with this man?"

Just call your Bell Telephone business office. The Communications Consultant will visit you at your convenience.



The new Call Director telephone, with Bel System intercom, lets you add other peopl to calls on your line, set up telephone con ferences, hold calls—puts as many as 29 out side, extension or intercom lines at you fingertips. Thousands of firms already have it

BELL TELEPHONE SYSTEM



This is the Control Memory, an exclusive feature of the Honeywell 800 Transistorized Data Processing System. It is only 2¼ inches long, 2¼ inches wide and 2¼ inches deep, but its capabilities are heroic. Its design logic empowers Honeywell 800 to run off 8 major jobs simultaneously — each one starting and stopping independently. It supersedes the costly, complicated master programs or schedule of priorities required by conventional transistorized systems. To learn more about its accomplishment (Automatic Parallel Processing) and the many other design "firsts" of Honeywell 800, just write to Minneapolis-Honeywell, Datamatic Division, Wellesley Hills 81, Mass.

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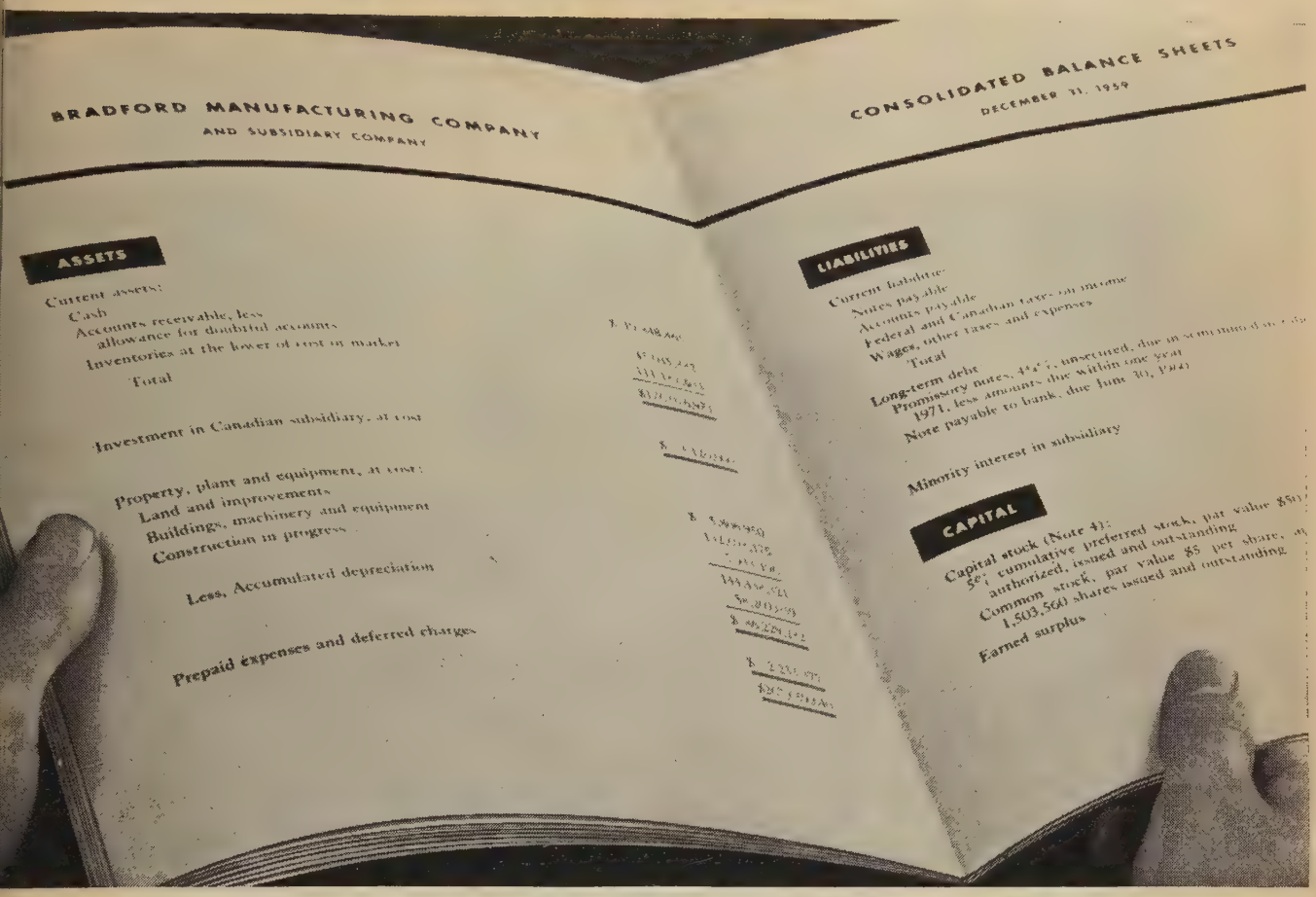

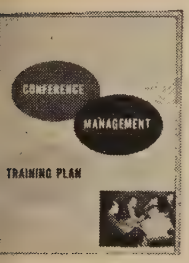

IN RECENT YEARS, there has been much talk about "automation," "push-button production," and "miracle machines."

So much, in fact, that there is a tendency to forget this truism: PEOPLE are a company's most valuable asset . . . *particularly managerial people.*

There are, of course, a number of programs whose objective is to prepare en for responsible positions. But, they are often narrowly ecialized. Many do not include the vital field of middle-anagement men.

Others concentrate wholly on developing leadership qualities -"human skills" such as speaking, reading, report writing, nferring and decision-making.

While it's obviously important to encourage the growth of adership qualities, it's only *half* the job. All too often the real re of the problem—which is *to provide training in the basic inciples of business*—is ignored.

Surely, learning how the business is run should be the *starting point* in any management development program.

The Institute's "Conference Management Training Plan" has met with extraordinary success in a number of companies because it *combines business administration with the development of human skills.* Perhaps our balanced approach to developing managers would be equally helpful to your company.

For company officials who have top level responsibility for developing managers . . . and for staff men directly charged with the coordination and control of management development . . . we have prepared a special booklet describing the "Conference Management Training Plan." It illustrates the plan in action, discusses study material, participants, use of the conference method, objectives, and suggests ways the Plan might fit into your company's management development activities.

For your copy, simply write Mr. James M. Jenks, Vice President, Alexander Hamilton Institute Dept. 259, 71 West 23rd Street, New York 10, N. Y. No obligation, of course.

ALEXANDER HAMILTON INSTITUTE

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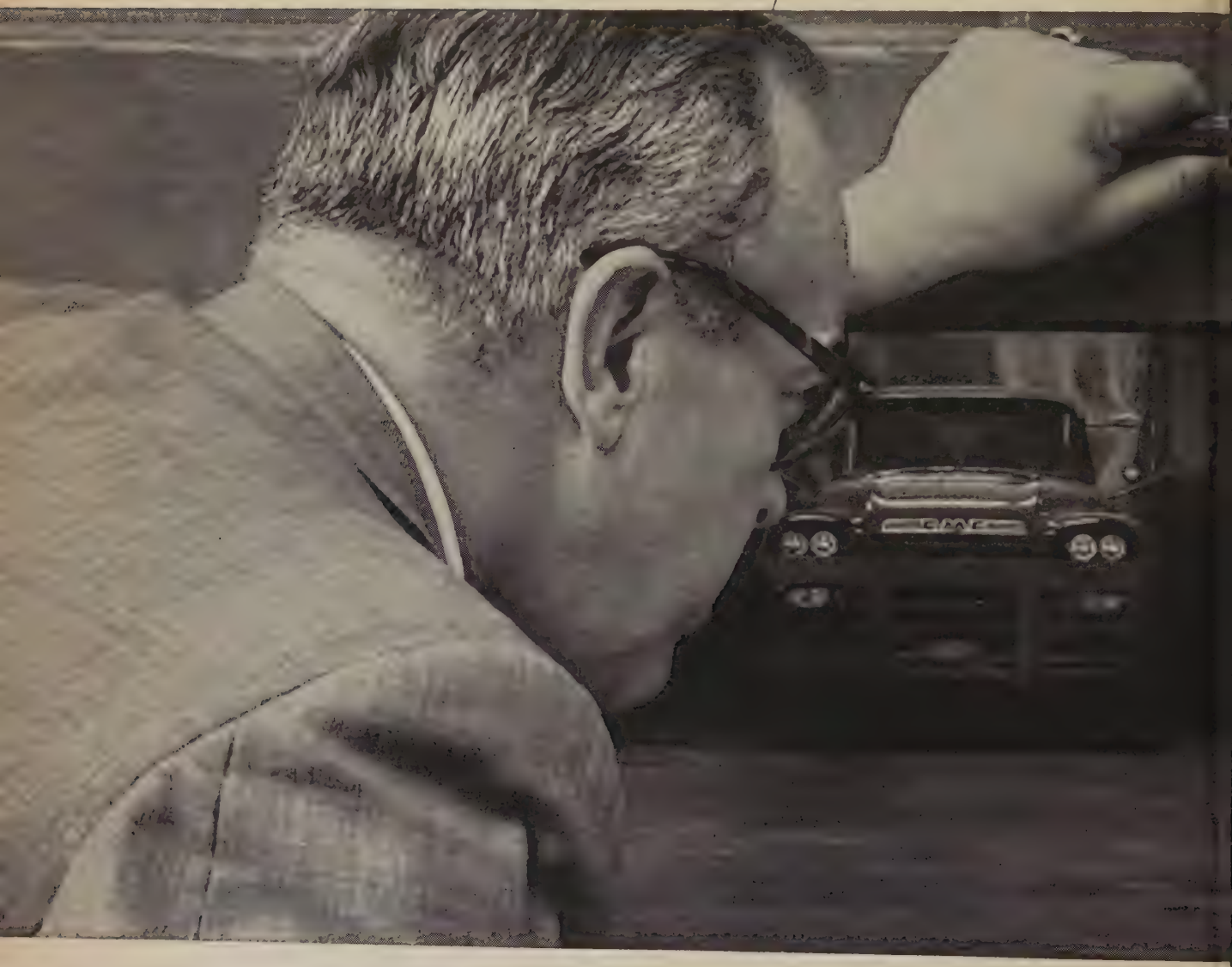
you can
fuck yourself.



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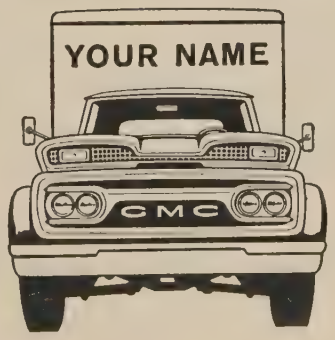
TRUCKS



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US RUBBER

United States Rubber

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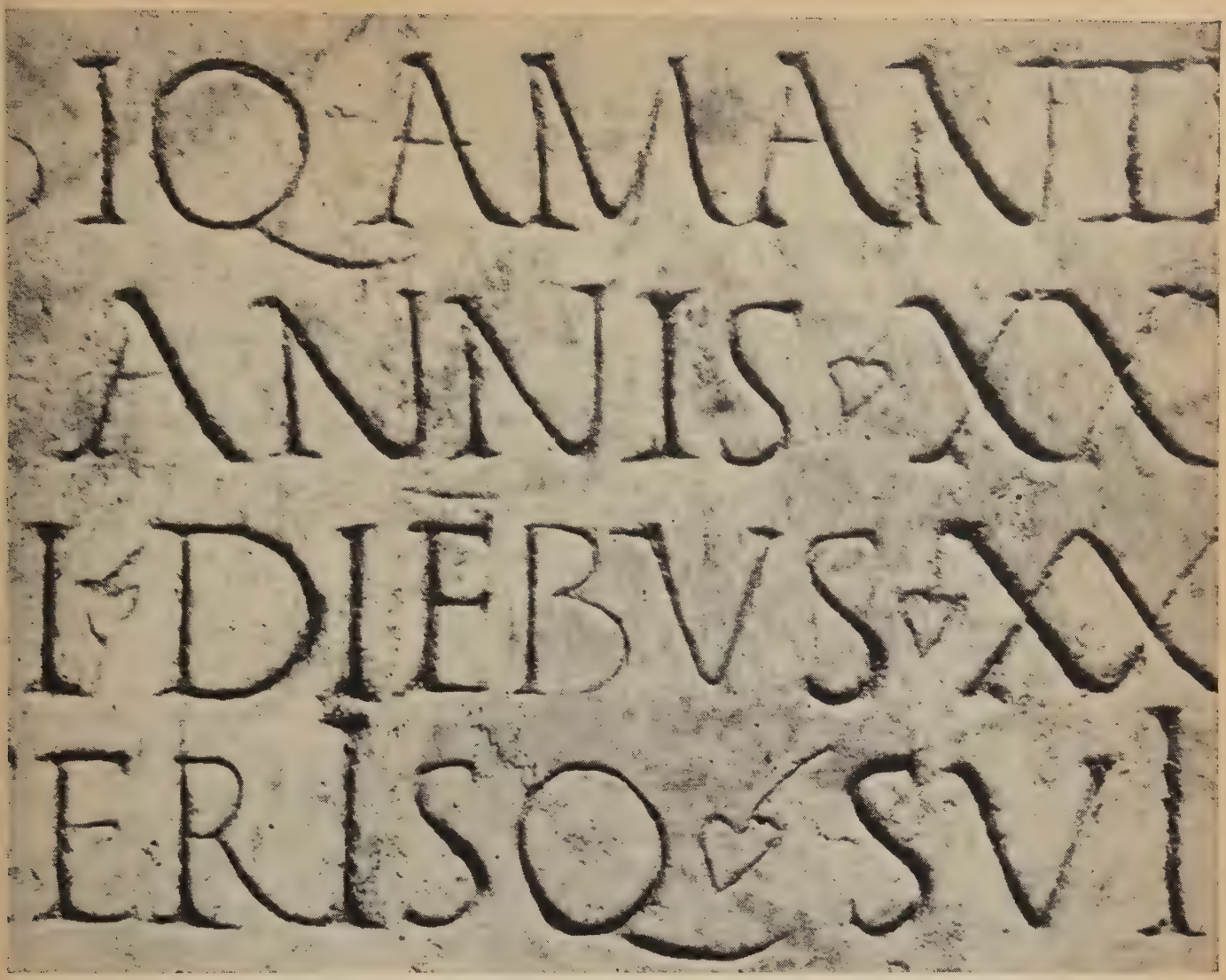

Courtesy of The Metropolitan Museum of Art, Gift of Philip Hofer, 1938.

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The sound you can see. Unlike some recording media, the red Dictabelt records *visibly*. You can see your place, play back in seconds. Dictation can't be erased—every word is recorded clearly and permanently. And Dictabelt is so inexpensive it doesn't have to be re-used. You have a fresh, clean surface every time you dictate.

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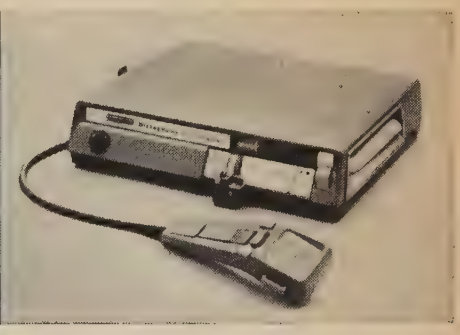

Most automatic dictating machine. You and your secretary are sure to get a lot more work done in less time with a Dictaphone TIME-MASTER. It's the dictating machine system most widely used in business today. To see for yourself how efficient it is, call your nearest Dictaphone office for a free "show me" demonstration.

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United Van Lines

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(Circle number 173 for more information)

Letters

Word of mouth advertising

SIR: In your comprehensive article, "How to use contests in your business" *[MM, Sept. '60]*, there's just one aspect that is not given enough emphasis. That is a contest's word-of-mouth promotion value. We certainly find this true in the Rheingold contest, for which we're currently tabulating more than 20 million votes cast for the six gorgeous girls competing for the title "Miss Rheingold 1961."

Miss Rheingold: creating conversation

A good contest (and you've outlined a great many ways of conducting a good contest) will do more than just simply interest participants. It generates a great deal of conversation. To my way of thinking, a great deal of the benefit is this word-of-mouth advertising.

HORACE H. NAHM, PRESIDENT
THE HORACE H. NAHM CO., N. Y.

How to pick a trade show

SIR: Hal Golden did a real service when he put the spotlight on the sales building value of trade shows *["How to get bigger results from a trade show," MM, Sept. '60]*. Any company that follows the sugges-

tions set forth in the article is bound to profit.

The way to get the most value from trade shows, of course, is to make sure your exhibit appears in the best ones. According to our experience, the most dollar conscious exhibitors base their selection on:

1. The *location* of the show and the compatibility of the products shown to that location.
2. The *timing* of the show to coincide with the peak buying interests for the products shown.
3. The *assemblage* of exhibitors and products spanning the interests of the desired audience.
4. The degree of *acceptance* of the show by the segment of the *public* to which the show caters.
5. The degree of *acceptance* of the show by the working *press*.

With particular reference to the last two items, may I refer as an example to our own show to be held in New York, October 24-28. This show has been building its reputation in the minds of the public and the press for 56 years. That's one reason it attracts some 80,000 to 100,000 businessmen annually.

GEORGE H. GUTEKUNST, JR.
NATIONAL BUSINESS SHOW, NEW YORK

Forward look on credit

SIR: Updating and critical analysis of credit policies and procedures are a must these days. Your article, "How companies now use credit . . ." *[MM, Sept. '60]*, is therefore timely.

With the forward look in mind, it seems to me that the study would have been more complete had it included reference to the increasing use by credit men of realistic projections—forecasts and cash flow studies—as a basis for credit, more so than evaluation of just "historical" data such as balance sheets, operating statements and the ratios and trends depicted by them. The historical coupled with the present and future, as shown by sensible projections, gives a much more complete picture and a sounder basis for credit, particularly to the marginal customer. Also, projections can be of great help in counseling.

Nevertheless, we can't lose sight of the past. . . . All too frequently, under current competitive pressures and the insistence of sales manage-

here's how VISIrecord

split-second record location

...at ARMA Division American Bosch Arma Corp.

lets one clerk control 20,000 items...

With the *VISI*record system, one clerk can tell in seconds where and by whom one of 20,000 laboratory and test instruments is being used and when the item is due back for re-certification. Scanning all 20,000 records takes only about an hour.

...at TEXAS INSTRUMENTS, INC. Apparatus Division

saved 3500 man hours per year following up purchase orders

The *VISI*record system helped lighten the routine load on buyers, reduced the possibility of overlooking delivery dates, virtually eliminated the possibility of a delivery entering the plant without being inspected and recorded.

...at STROMBERG-CARLSON Division of General Dynamics

saved the equivalent of four personnel department employees' time

And, all personnel facts, figures and statistics on more than 8,000 employees in plants and offices across the country are available instantly.

The world's fastest visible record keeping system

...can help you

VISIrecord Systems Specialists have the know-how to analyze your record-keeping set-up. Their experience and the facilities available to them will enable them to provide you with a time and money-saving system. Write to Dept. MM-4 for case histories on above and any other applications.

VISIrecord

VISIrecord, Inc.

375 PARK AVENUE, NEW YORK 22, NEW YORK
SYSTEMS SPECIALISTS IN PRINCIPAL CITIES

(Circle number 187 for more information)

ment, the credit manager is inclined to side-step time-tested credit policies and means of proper evaluation.

Credit management must guard against this. In our efforts to assist in selling, we should remember we still are credit men with certain basic responsibilities. These basic responsibilities must be attuned to the times and to circumstances.

Referring to Section One, Item 4 [Marginal risk defined—inadequate working capital, slow paying, irresponsible management and weak sales potential], I am not in complete agreement with the composite four fundamental characteristics of a marginal account. Many of our marginal accounts are not and have not been slow payers. They pay promptly or discount and are marginal simply because they are receiving credit from us which is far in excess of what sound credit practice would normally dictate. . . .

A. W. HILL
GENERAL CREDIT MANAGER
E. I. DU PONT DE NEMOURS & CO., INC.
WILMINGTON

One copy, three readers

SIR: A few years ago, in response to a question from you, I wrote that, although I got much pleasure and information from reading MANAGEMENT METHODS, I did not employ one hundred people. Because I was the sole support of my son, a multiple sclerosis victim, I did not dare risk my capital to try to increase the size of my business again, as I would have enjoyed doing. Therefore, I said, if I were in your position I would drop the stencil bearing my name in the wastebasket.

You did not follow my suggestion, I am thankful to say, and I thought you might care to know of the following developments.

My son, a mechanical engineer whom the doctors all said could never be gainfully employed because of his affliction, got in touch with a large organization that was willing to take a chance hiring him. Since then, he has been promoted and at least one other handicapped man has been employed. Some months back, I gave him a copy of your magazine because I had read something I thought might interest him. He read it from cover to cover and has done the same with every copy since then.

My son-in-law, who is trying to put his family's business on a streamlined basis, asked for the magazine when we were through with it because, in glancing through it, he had seen something he wanted to read carefully.

So now, when I receive your magazine, I read it, then take it home to my son who reads it and he, in turn, passes it on to his brother-in-law.

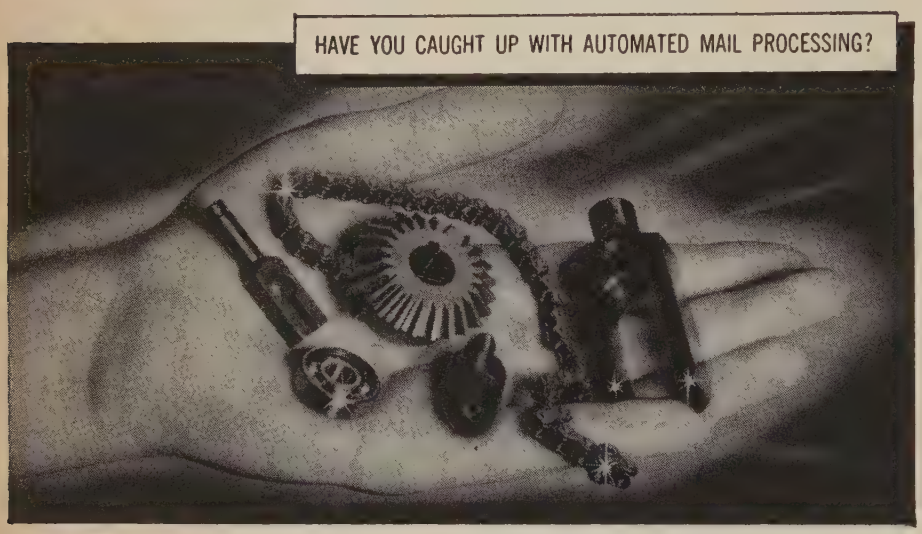
So you see, each month's copy is read by members of three firms.

EDWARD T. VAN DE WATER
E. T. VAN DE WATER & CO., INC.
NEW YORK

Anti-do-it-yourself projects

SIR: As an architect, I was particularly interested in your September article "How a firm chopped 20% off new plant construction costs." *[MM, Sept., 60]*. In my opinion, this procedure can only apply to such a limited number of companies and isolated instances that its real value as an example for others is questionable. Even so, to better understand this approach, several points should be clarified.

Did the men who participated in



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THE PHILLIPSBURG INSERTER
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Accuracy is built into the Phillipsburg Inserter with precision machined parts and skilled workmanship. Accuracy that adds up to trouble-free mail handling. Large mailing staffs, overtime wages and the human errors of hand mail fulfillment are eliminated.

Phillipsburg's vacuum feed and chain conveyors smoothly process mailings with no downtime or missed deadlines.

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Send for the Modern Mailing Through Mechanization brochure

HAVE YOU CAUGHT UP WITH AUTOMATED MAIL PROCESSING? In one continuous sequence the PHILLIPSBURG INSERTER *Gathers . . Nests . . Opens Envelope Flaps . . Inserts . . Moistens, Closes, Seals Envelopes . . Imprints Postage . . Counts . . Stacks up to 6,000 Pieces of Mail an Hour*

Bell & Howell Company MM10-60
14 E. Jackson Blvd., Chicago 4, Ill.
Please send
☐ Modern Mailing Through Mechanization brochure
☐ A basic application for my business
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Firm _____
Street _____
City _____ Zone ____ State ____

(Circle number 105 for more information)

To executives of the 3,642 companies who will build new offices in 1961

Naturally, you'll want an efficient, well-planned office. The best way to insure this is to call in a GF Survey Team AT THE TIME YOU HIRE YOUR ARCHITECT. GF office planning specialists will survey your operation, study your work-flow, interview personnel, and recommend furniture duty-matched to each individual job. By planning ahead, you eliminate guesswork, avoid last-minute headaches, frequently save thousands of dollars. If this service is of interest to you, contact your nearest GF branch or dealer, or write The General Fireproofing Company, Dept. D-24, Youngstown 1, Ohio.

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(Circle number 122 for more information)

Automatic PAPER INJECTOR -EJECTOR

ANOTHER OUTSTANDING FEATURE OF OLYMPIA OFFICE TYPEWRITERS!

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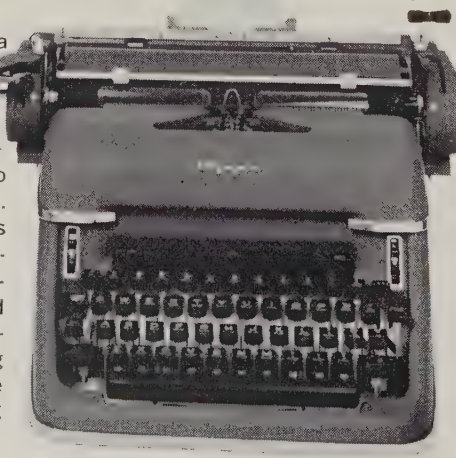
For speed and efficiency Olympia features an amazing Automatic Paper Injector-Ejector, illustrated above. Ideal for paper insertion. Set "feed-dial" — pull lever — and presto there's the paper — perfectly positioned ready for typing. And, addressing envelopes or labels is a breeze — they glide to exact line desired without time-wasting adjustments. Automatically ejects, too!



(Circle number 133 for more information)

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Olympia

do-it-yourself project do all this time outside the regular working rs? I doubt it, and for those rs spent away from their busi- s were these costs added to get ue picture of the actual cost of project? Could their energies hours on this have produced re over-all results if spent on the rk they know best? What about ions? Few building projects of y size today could be done this y without running into union blems. Perhaps in a local, neigh- ly, friendly area this is possible, t not in very many places. Even possible, would it not set up a ve of resentment by unions that ld swell into big problems where company's products are used?

The most questionable point of was your reporter's comment: ractically any company can follow H. Scott's example to achieve savings on a new plant." The scription of those Scott execu- es, their backgrounds and the ecialized functions they per- med in planning this building uld limit the type of company hich could do this very drastically. certainly does not fit "practically y company."

To the company uninitiated in the oblems and ramifications of the nstruction industry, such a state- ent could lead many trusting and nsuspecting managements into oblems that would make them ish they had never heard of this ea.

J. GORDON CARR A.I.A.
J. GORDON CARR & ASSOCIATES
NEW YORK CITY

As architect Carr points out, not very company can use its employ- es to the extent that H. H. Scott nc. did. However, experience hows that the do-it-yourself idea sound. The question is not wheth- r to do it yourself, but how much do yourself. Perhaps employees one firm will only help suggest lant layouts. In another, they ight help with interior finishing. ut the proved fact is that employ- es can help keep new plant con- truction costs low. EDITOR

ales Forecasts: question . . .

IR: I read with interest your re- ent article, "A practical, low cost way to sharpen sales forecasts" *[MM, June, '60]*.

There are a couple of questions I would like to ask. In Step 8, what statistics table is used, and where is it found? Also, how is the problem handled if your actual [sales] exceed your forecast, therefore making a percentage greater than 100?

Next, I can see where the percentage of 80.5 times the forecast of 30 units would give the probable sales that would be experienced, but how are the 30 units arrived at, past experience or what?

L. W. STANSBERRY
SECRETARY-TREASURER
W. C. NORRIS, MANUFACTURER
DIVISION OF DOVER CORPORATION
TULSA

. . . and answer

SIR: Here are answers to the specific questions Mr. Stansberry asks about using the Inductive Proba-

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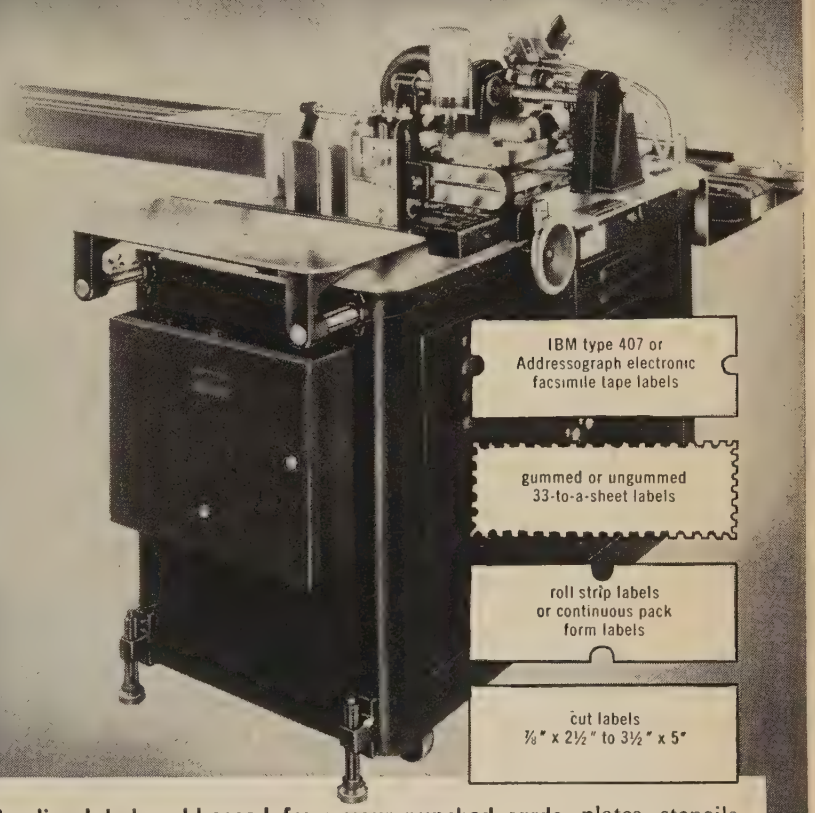

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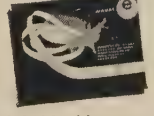
The Cheshire Model E.



Write for descriptive brochure

Dept. MM-10

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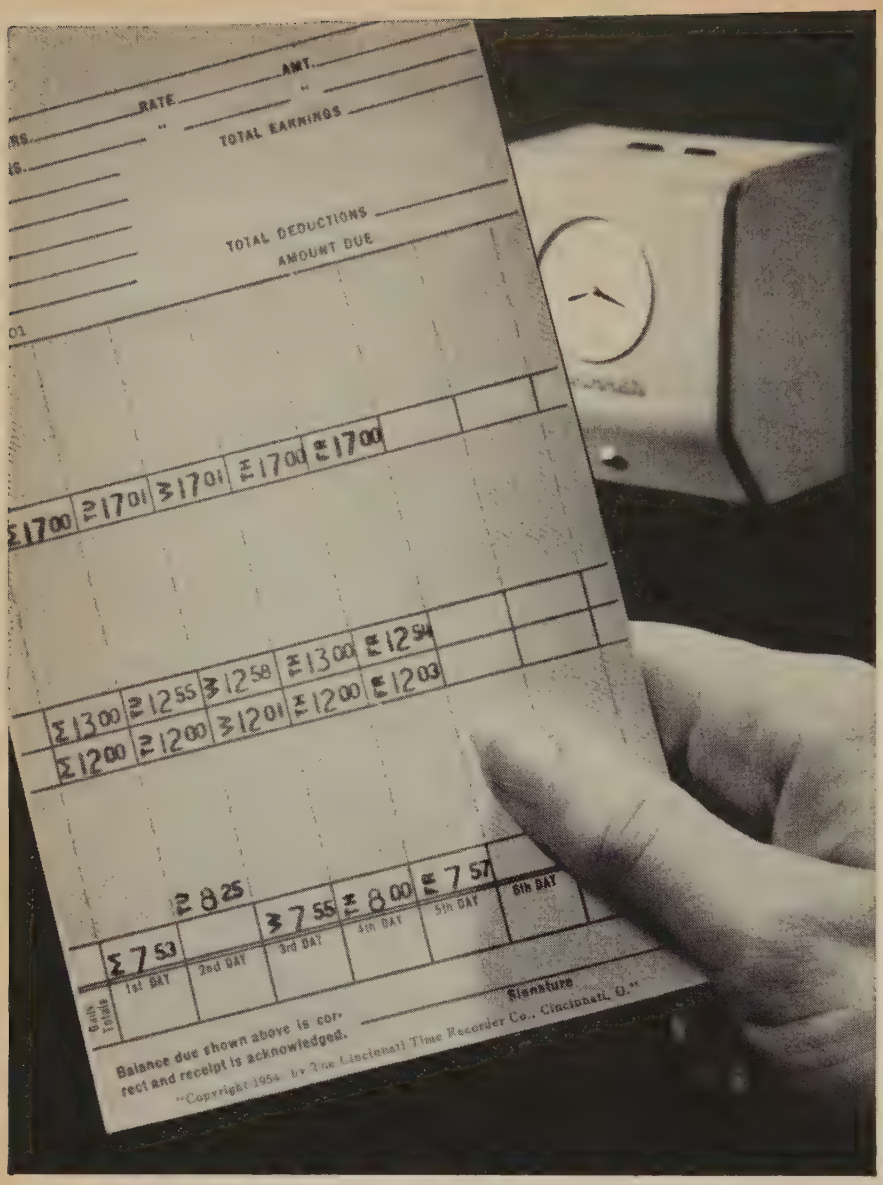
1644 N. Honore St. Chicago 22, Ill.

SEE A DEMONSTRATION IN BOOTH No. 28 AT THE DMAA SHOW, IN MIAMI, OCT. 9-13

(Circle number 112 for more information)



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Gentlemen:
Please send literature about New Model 8000 Paymaster

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Company _____

Street _____ City _____

(Circle number 113 for more information)

bility Analysis method in sales forecasting.

We should probably point out first, as we did in the article, that Inductive Probability Analysis is a powerful tool for extending the usefulness of the conventional forecasting techniques a company uses. It is not, however, a substitute for them.

In the article, we chose an application of IPA to the more realistic adjustment of field sales forecasts to *illustrate the mathematical technique*. The method is not limited to forecasting applications, however, because it has real value in aiding decision-making under any business uncertainty conditions.

In reply to Mr. Stansberry's first question—where is the statistical table found that is used in Step 8—it is taken from the table of "tp" distribution. It is found in all standard books of statistical tables.

Second, he asks how to handle a situation where actual sales have frequently exceeded forecast sales; that is, where the ratio $\frac{\text{actual}}{\text{forecast}}$ is greater than 100%. Basically, the calculations are identical.

For example, assume the company example illustrated in the article was exactly reversed. In other words, we will modify the example by interchanging "forecast" and "actual" values in each of the 13 periods as follows:

Period	Actual	Forecast
1	11.7	7.8
2	12.7	7.7
3	12.1	9.3
4	14.4	15.1
....	....	....

To use IPA under these circumstances, the algebraic signs of the "difference" column are reversed, but the values are unchanged.

In Step 4, our new values are:

actual	226.9
forecast	182.7
difference	+ 44.2
difference squared	279.5

In Step 5:

average actual	17.45
average forecast	14.05
average difference squared	21.50

All other calculations through Step

ow, you can get a ready-to-use engineering print . . . in conds and *on ordinary cut-sheet paper* . . . from a microlm aperture card.

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And the quality of reproduction is excellent. The image sharp black-on-white and won't rub off. There is no dor, no waste, and the paper may be written on with pencil pen.

Thus, regardless of your engineering-drawing-reproducon volume, you can now enjoy the tremendous savings in me, money, space, and materials of a unitized microfilm ystem.

Formerly, such economies . . . from $20,000 to $100,000 annually . . . required a substantial reproduction need to make the system feasible.

Today, however, the Copyflo 1824 printer brings the same proportionate benefits to small-volume users as to large. No need now for vast files of engineering drawings. Microfilm aperture cards take only a fraction of the storage space required for other reproducibles. No more costly waiting for prints. And prints made by a Copyflo 1824 printer are so inexpensive, your engineers can discard them after use.

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And, another important factor—you're also assured of the utmost in dependable freight and passenger transportation when you locate in Union Pacific territory.

In considering building, buying or leasing a plant in the West, for any purpose, we'll be pleased to assist you in every way. Just contact any Union Pacific representative, or get in touch with us direct.

Industrial Development Department

UNION PACIFIC *Railroad*
OMAHA 2, NEBRASKA

(Circle number 171 for more information)

9 are unaffected by the revision of actual and forecast.

In calculating average actual sales as a percentage of average forecast sales, we now have:

$$\frac{17.45}{14.05} = 20.7\%$$

Our final result is now:
actual sales = 124.2% ± 20.7% of forecast.

A company in the more fortunate position illustrated by this example can anticipate sales of at *least* 104% of its forecast with a very high degree of probability (.975).

In his third question, he also asked how the hypothetical forecast of 30 units is derived.

In actual practice, the sales forecast is prepared in the usual manner, using the procedures established by the individual firm. Many companies use the "grass roots" approach. In this method, each individual salesman prepares his sales estimate for some future period and submits it to marketing management.

The marketing manager or his assistant compiles these individual estimates to produce a total field sales forecast. Because there are economic forces which will affect the sales picture, and which the individual salesman is not equipped to evaluate, marketing management may then proceed to modify the field forecast by using national or industry economic indicators.

The result of this operation is a sales forecast which reflects the "firing line" judgment of the individual salesman and the "economic climate" judgment of marketing management. It is this forecast value which is cranked into the IPA procedure, thereby adding the "mathematical judgment" factor we mentioned in the article.

As we mentioned earlier, IPA can make its most significant contributions to profitable decisions in any area of qualitative management decision-making. That is, it can help managers in selecting the general course of action having a higher probability of success.

E. E. PETERS
W. D. SCOTT & CO., INC.
NEW YORK

efinement of Detail by Mills

ır Mills Movable Wall System keeps its look of permanence in spite of constant rearrangement, thanks to attention detail . . . joints that stay hairline-tight, trim that stays flat. Only Mills custom-crafting produces these seen and seen details to insure handsome interiors which will *always* speak well of your company. Mills representatives will pleased to provide you with a Planning Kit especially prepared to aid you in space-conditioning your offices. For ır copy write to The Mills Company; since 1921, manufacturers of movable wall systems: 944 Wayside Road, veland 10, Ohio.

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MILLS

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Guide to office efficiency

Time and money saving economies are suggested in a booklet by Smith-Corona.

Efficiency hints cover layout, filing, forms design and letter writing.

For your free copy of this 14-page "Guide to Increasing Office Efficiency," circle number 224 on the Reader Service Card.

Market data on South Africa

South Africa as a base for business is reviewed in a new booklet by J. Walter Thompson Co.

The 40-page survey covers all aspects of area and market data.

Requests for a single copy will be supplied without charge while the supply lasts. Order from J. Walter Thompson Co., 420 Lexington Ave., New York 17.

Do's and don'ts of filing

Your secretary will find a new 16-page booklet helpful as a guide to efficient filing.

Prepared by Avery Label Co., the booklet includes ABC's of alphabetizing and many other good filing tips.

For a free copy of "Bright Filing Ideas," circle number 222 on the Reader Service Card.

All about office duplicating

Here's a 32-page booklet packed with information on how to get the most out of your office duplicating equipment.

This guide, prepared by Eastern Corp., gives step-by-step instructions to insure better work in less time. Operating hints cover all types of duplicators—liquid, gelatin, stencil, relief and offset process.

For a free copy of "Introduction to Office Duplicating and Printing," write to Eastern Corp., Bangor, Maine.

The case for North Ireland

Facts and facilities of Northern Ireland as a base for American industry are detailed in a new 24-page brochure.

For a free copy of this booklet, offered by Northern Ireland Representative, British Industrial Development Office, circle number 241 on the Reader Service Card.

Plant sanitation aid

A bi-monthly leaflet, published by Industrial Sanitation Counselors, contains helpful hints on cleaning programs.

Subjects covered include personnel participation in good housekeeping, cleaning procedures and cost control, and latest developments in cleaning methods and equipment.

To receive this periodical regularly, write to Industrial Sanitation Counselors, 2934 Cleveland Blvd., Louisville 6, Ky.

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Profusely illustrated, photographs include actual room settings, useful in planning attractive and efficient arrangements in your own offices.

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The 48-page report, published b Prentice-Hall, Inc., gives practic pointers on each phase of prof able new product promotion. Ea step is supported by cases.

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A 16-page booklet presents t case for business mail from the co sumer viewpoint. Published by t Business Mail Foundation, "Wha In It For You" gives a rundown the benefits of the various class of mail received by home owne and apartment dwellers.

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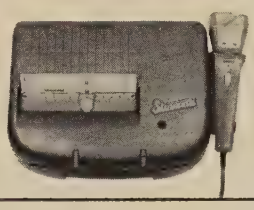

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(Circle number 167 for more information)

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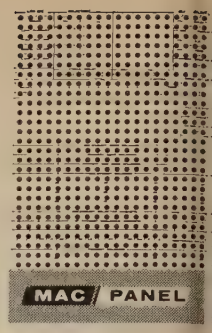
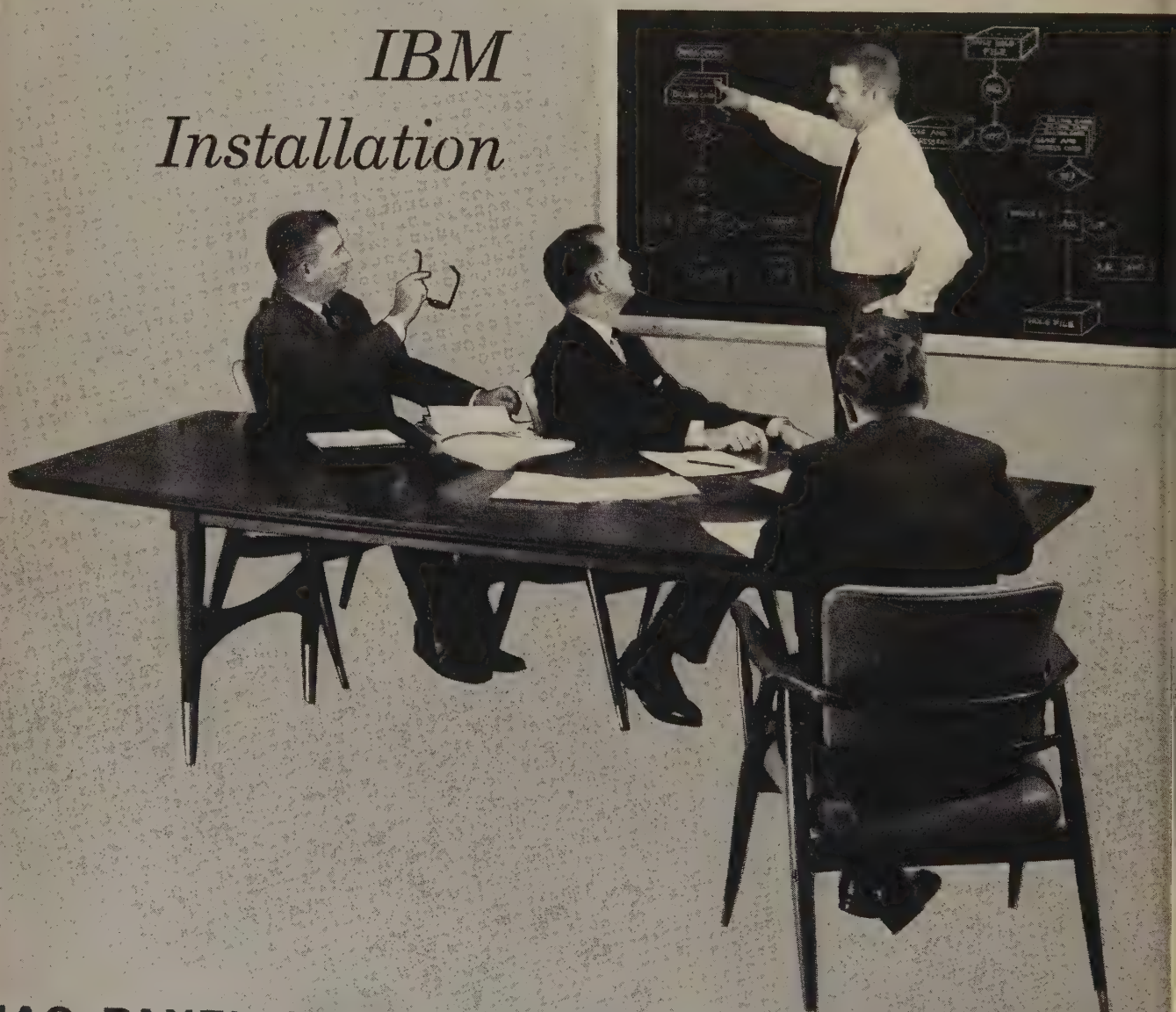


When You Plan Your IBM Installation



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(Circle number 138 for more information)

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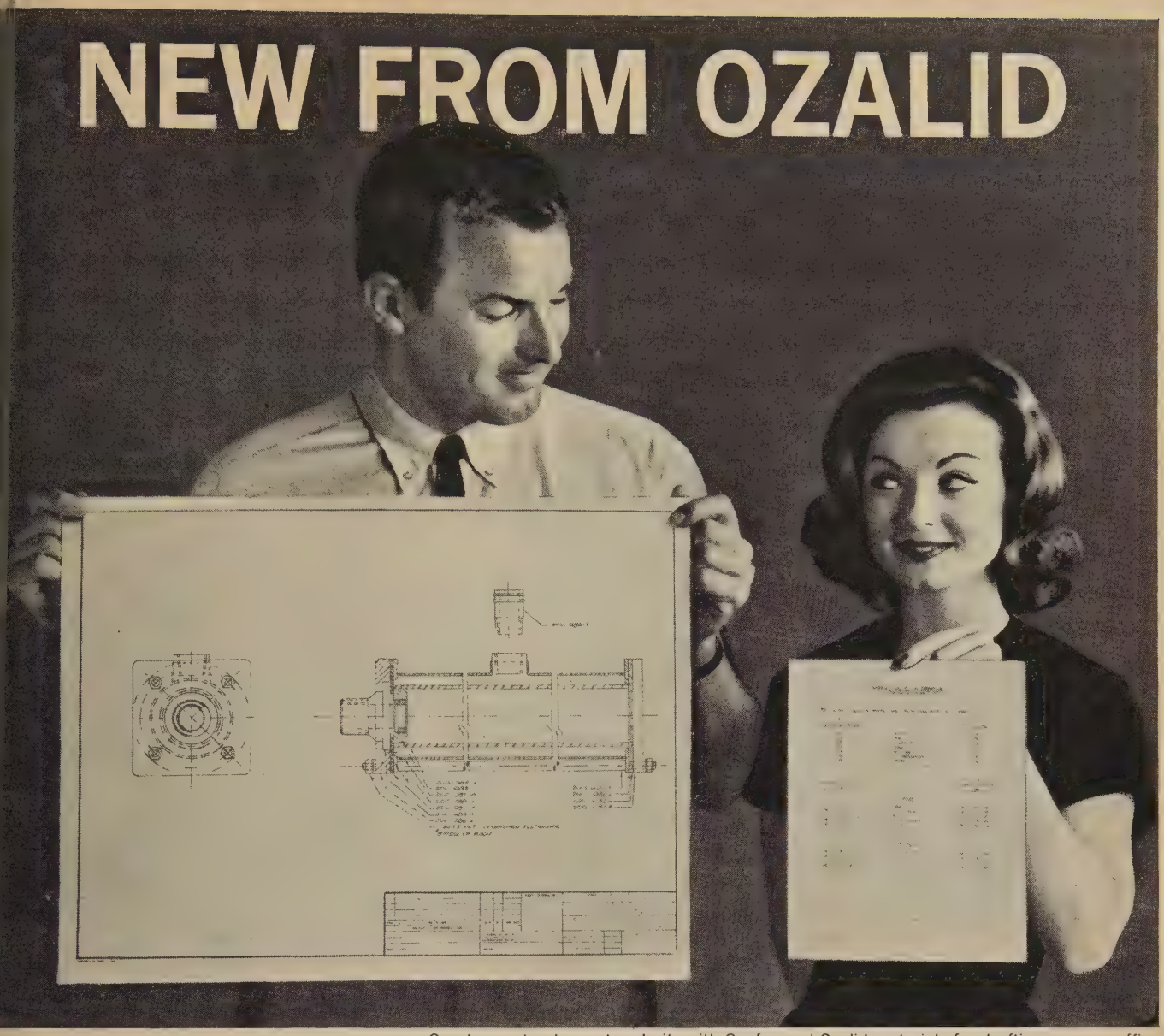

Greater contrast, greater clarity with Ozafax and Ozalid materials for drafting room or office

New Ozafax semi-dry papers and developers now bring Ozalid quality to every Diazo Copy Machine

rom Ozalid—the nation's leader in dry diazo materials for more than a uarter of a century—comes Ozafax, the newest line of top quality semi-ry copy materials. Regardless of the make machine you own, you can ow look to Ozalid as a new source of supply for all your diazo copying eeds, and look to Ozafax for . . .

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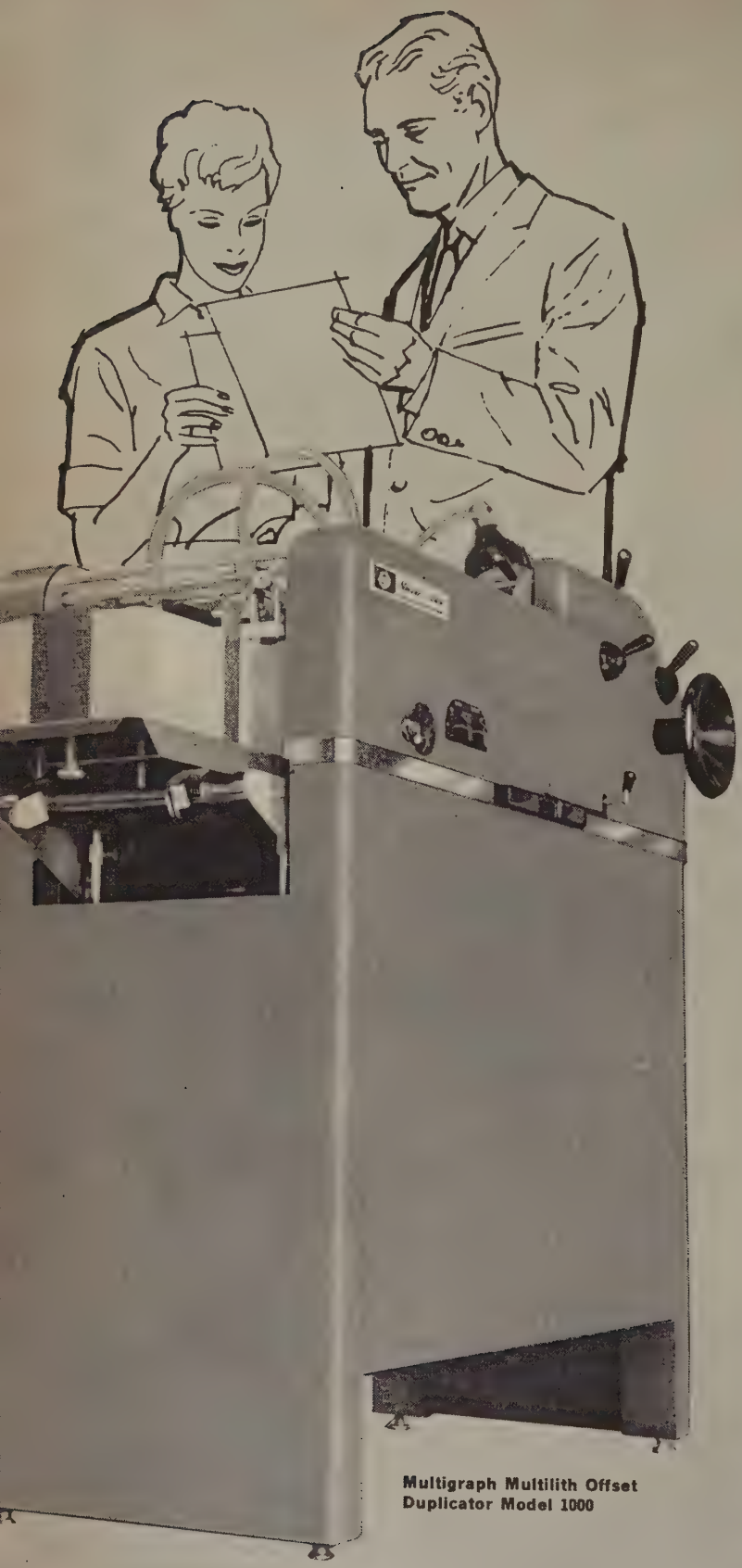

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Compact—designed for big production, yet occupies less space than a secretary's desk. Handles up to 1000 20-lb. sheets without reloading.

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METHODS

Addressograph-Multigraph

CUTTING COSTS IS OUR BUSINESS

TAX QUIZ—by Benjamin Newman, Tax Attorney

Sale of assets

AXABLE AS CAPITAL GAINS OR ORDINARY INCOME?

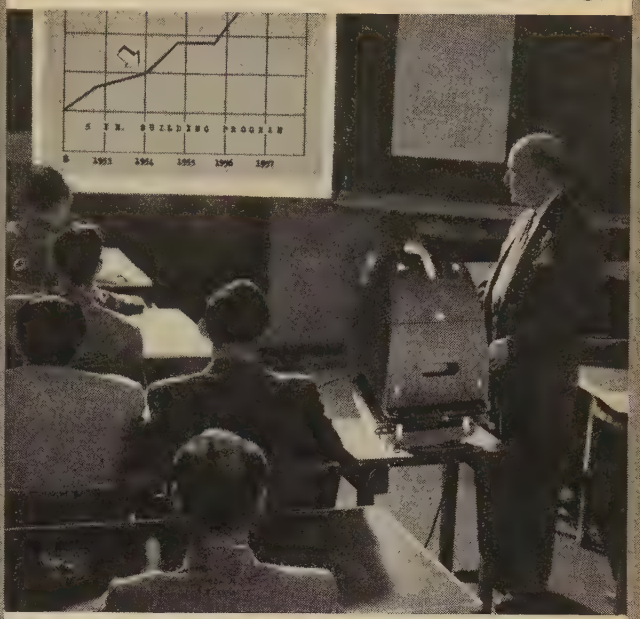
he question—A corporation distributes part of its ssets to stockholders. The purpose is to reduce its apitalization. Is such distribution in partial liquidation nd taxable at capital gains rates? Or is it equivalent o a dividend which would make it taxable as ordinary ncome?

he facts—Taxpayers A and B were sole stockholders f the AB corporation. A devoted all his time to the orporate business but B, because of other interests, ould devote only one-half of his time. A was compenated accordingly. Subsequently it was found that B ould devote only one-third of his time to the AB orporation. Although agreeable salary adjustments ere made with A, it was decided that B should sell is interest in the corporation. Increased competition n the field made it necessary for the business to have n active full time owner. L, an employee of the corpoation, was interested in purchasing B's interest but nly had $22,000 in cash, whereas B's interest was orth $50,000. It was decided that if the corporation ere contracted, and its capital stock reduced by 40,000, the plan to sell a part of the business to L ould be consummated.

Accordingly, certain assets of the corporation were onveyed to A and B respectively in consideration for ne-half of the stock of each in the corporation. B sold is remaining stock to L for $22,000. Thereafter B as no longer associated with the corporation, his ntire interest having been severed. In the preparation f their tax returns, each taxpayer treated the transacion as a long term capital gain, reasoning that the conveyance was in redemption of stock. The Commissionr of Internal Revenue took another view and treated he distribution as being essentially equivalent to a lividend and therefore taxable as ordinary income.

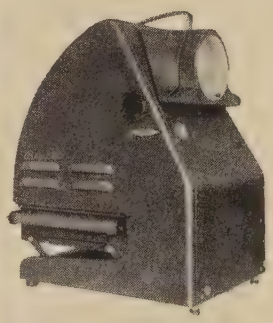
The ruling—After reviewing the facts, the Court conluded that the transfer of real property, and other ssets, to the stockholders in exchange for stock contituted a contraction or partial liquidation of the busiess, and a redemption of stock not essentially equiv-

PROJECTS ANYTHING



FROM A SOLID OBJECT TO A PRINTED PAGE ...WITHOUT PREPARING A SINGLE SLIDE

NEW BESELER VU-LYTE II



PROVIDES INSTANT, *NO COST* LARGE SCREEN VISUALS FOR . . . SALES MEETINGS, PRESENTATIONS, EXECUTIVE MEETINGS, PERSONNEL TRAINING, SALES PROMOTION, PUBLIC RELATIONS PROGRAMS, REPRODUCTION OF ART OR ENGINEERING DRAWINGS

Thanks to the miracle of the new Beseler VU-LYTE II Opaque Projector, you're ready—in minutes—to make a professional visual presentation without the delay and expense of preparing slides. Take almost anything opaque — put it in the machine and it's on the screen — in full color, 10 times bigger than life, even in partially lighted rooms. Projects directly from solid objects, magazines, newspapers, books, charts, maps, photographs and advertising layouts. It's also an ideal tool for engineering and art departments—projects sketches, blueprints, paintings, etc., to any size desired for painting or drawing directly over enlarged image.

Beseler VU-LYTE II, the most widely used opaque projector in the world has exclusive features available on no other projector including: Feed-O-Matic Conveyer Belt that crank feeds continuous copy . . . High Luminosity Optical System for bigger, brighter images . . . Built-in Projection Pointer that produces brilliant, sharp arrow anywhere on screen . . . Rugged yet lightweight construction, weighs only 29 pounds, a truly portable instrument.

Find Out Now How Beseler VU-LYTE II Lets You "Select and Show" instantly without preparing slides. Write for complete illustrated information.

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(Circle number 107 for more information)

3 seconds ago this conference room did not exist!

You, too, can make a conference room appear or disappear this quickly. All you need is this new HOWE folding table and a little floor space.

Ever increasing costs and constantly changing needs have turned many efficiency-minded firms to multi-purpose space use.

The new HOWE folding conference table, the Mobil-Matic "12," was designed with this in mind. The Mobil-Matic "12" is functional in every detail. It seats 14 comfortably. The counter-balanced spring tension and synchronized action of its patented understructure make it easy and safe to open or fold in just 3 seconds. Folded, the Mobil-Matic "12" is rolled away smoothly on 4" swivel casters. Because it measures just 14" folded, it stores against the wall, barely protrudes into the room.

For all its functionalism, the HOWE Mobil-Matic "12" sacrifices nothing in the good looks department. Its top and edge are marproof, patterned Formica. (For those who prefer, an anodized aluminum-edge model is also available.)

To keep the unit bright and fresh-looking, the entire understructure is plated with rustproof Cadmium.

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FREE! Just fill in and mail the handy coupon and you'll be sent illustrated literature free on the Mobil-Matic "12" and other HOWE folding tables. Act now.

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alent to a dividend. Distribution to the stockholders of assets was in payment for the stock and not essentially a distribution of dividends. Therefore, the Court said, the distribution was properly reported and should be taxed as a capital gain, not at the higher rate for ordinary income.

Carey, etc. v. *United States of America, U.S. District Court, decided August 1, 1960.*

Corporate salaries

MAY THE TAX COMMISSIONER SET THE LIMIT?

The question—A family corporation pays its officers $6,000. It deducts the salaries as business expenses from its income tax return. May the Tax Commissioner refuse to allow the corporation to deduct more than $2,500 for salaries?

The facts—Mrs. W. and Mrs. F., sisters-in-law, each owned 50% of a corporation. Mrs. W. was the president and Mrs. F. was the vice president. Their husbands were secretary and treasurer.

The sole asset was an apartment building, which was managed by an agent. The husbands and wives participated in decisions on repair and replacement items, personally purchased certain large electrical appliances and sometimes showed apartments to prospective tenants. The agent carried out the rest of the work involved in the management of the building.

The corporation held no formal meetings, nor did it keep corporate minutes. Its affairs were discussed by the four officers at informal meetings and family gatherings.

No dividends were paid, nor were salaries given to the two men. The owner-wives, however, each received salaries of $2,500 in 1953 and $3,000 in 1954 and 1955. These salaries were deducted on their tax returns as business expenses.

When the Commissioner of Internal Revenue examined the corporation's tax returns, he disallowed the deductions on the grounds that they were too high in 1954 and 1955. He claimed that $1,250 each per year was reasonable compensation for the services the women performed in their capacity of officers of the company owning the building.

The ruling—The corporation claimed that the Commissioner's disallowance was arbitrary and unreasonable, but the Tax court did not agree. It said that the Commissioner's determination of the salaries can be presumed to be correct, and that the burden of proving it incorrect falls upon the corporation. Since the corporation failed to offer evidence showing what is usually paid by family corporations for such services, and since the facts indicated that the services were "rather inconsiderable," the determination of the Commissioner must stand.

Akten Realty Corp. vs. *Commissioner of Internal Revenue, U. S. Tax Court, decided February 24, 1960.*

TIME TO DECIDE

"Should I lease only trucks or get cars and MHE off my hands too?"

Truck leasing ends truck maintenance problems. But will other motorized units remain to plague you? Ryder wraps up trucks, cars, materials handling in *one* lease package. Frees you of service worries on all three; frees capital tied up in all three. Ryder provides you with the *latest Ford trucks and cars or other dependable makes.* And you enjoy . . .

RYDER'S EXCLUSIVE PACKAGE OF LEASING EXTRAS:

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Your Ryderman expertly designs your fleet to meet your specific transportation needs.

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Largest number of *wholly-owned* service locations in the business guarantees the most experienced, uniform truck service everywhere.

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Ryder's continual preventive maintenance keeps your trucks at top performance levels.

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A planned, nationwide safety program designed to help you reduce accidents, improve your customer and public relations.

(Circle number 164 for more information)

Decide now to see your nearby Ryderman, or write for our booklet "Design for Profit" to:

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Ryder System also operates truck lines in 10 states and tank lines in 26 states.

CONTROL AT AMERICAN PRESIDENT

James D. Short, Supervisor of Tabulating, American President Lines

"We did away with 300,000 postings!"

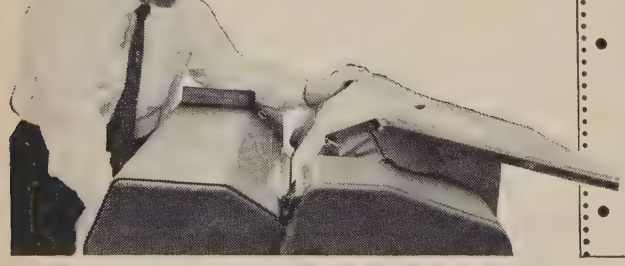
THE SETTING: American President Lines operates 30 cargoliners and 5 passenger liners. To make up voyage revenue and budget reports, the company collects and sifts mountains of data from scattered ports all over the world.

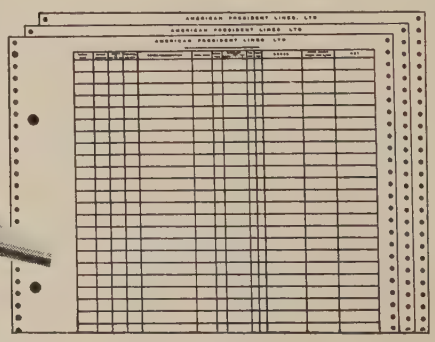
Reservations from 18 offices, 30 principal agents and thousands of travel agencies funnel into San Francisco headquarters every 24 hours. Facts in foreign weights, measures and currencies are converted to U. S. equivalents, summarized, and printed. The system also produces many other important reports.

THE SYSTEM: Data received is put on punched cards. An electronic accounting machine processes the cards, converting to U. S. standards, and prints the information on a daily summary sheet, an interim revenue report. This is revised daily as new figures come in and, in its final stage, is the final accounting.

After a ship has sailed, more incoming data is carded and radioed to sea. After a 120-day cruise, a budget report is run off, summarizing the vessel's performance—estimated vs. actual. A final budget report compiled in 10 days, as against 8 man-months, is the basis of management decisions on cargo matters, revenue volume, receipts and expenses, equipment needs, etc. The system speed-up resulted largely from eliminating 300,000 tedious manual postings a year—a crucial operating gain. The Moore forms in the system are the Line's control in print.

THE COUNSELORS: "We appreciate the system control and the help in forms design which the Moore man gave us," says James D. Short, Supervisor of Tabulating. For more details on how Moore may be able to help with *your* problems—no matter what kind or size of business—write the nearest Moore office. No obligation, of course.





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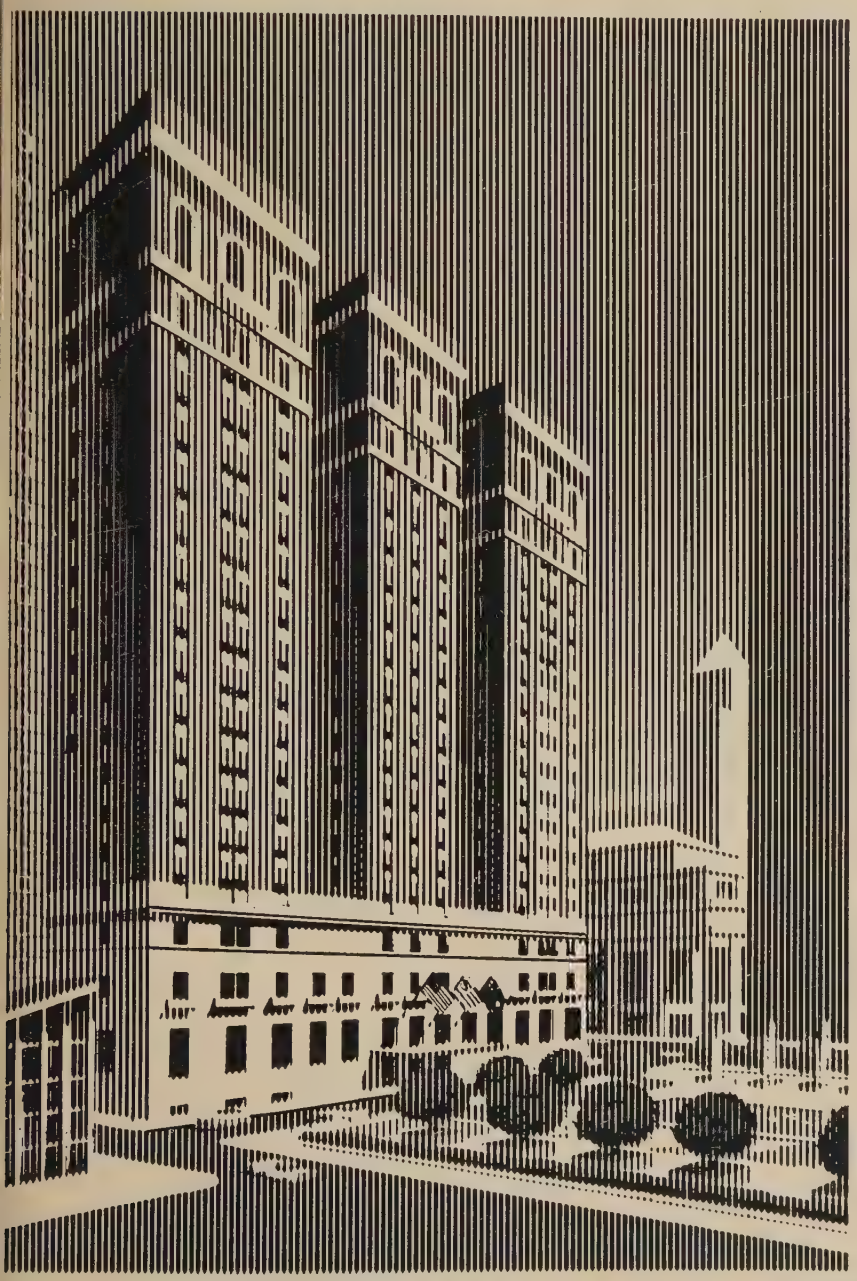
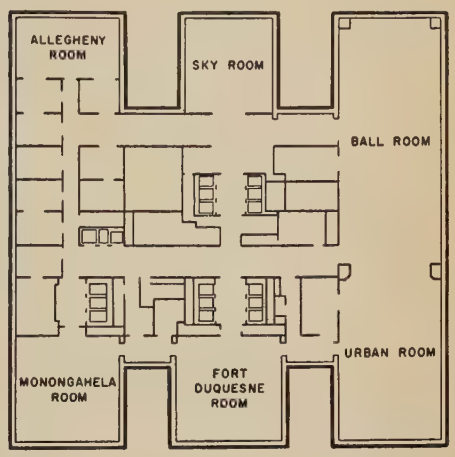
Best reason in the world for holding your next convention in PITTSBURGH

The PENN-SHERATON Hotel

In the heart of the city, under one roof... 20,000 square feet of air-conditioned meeting space in a newly modernized setting





One of the world's largest and finest hotels. Here are 26 stories of spacious accommodations and service with a capital "S".

Also 4 new restaurants and lounges including the famed *Harp and Crown* and *Riverboat Room.*

For convention space, there's an entire city block of meeting rooms ranging in capacity from a cozy 25 to commodious connecting ball and banquet rooms accommodating 2100.

All in all, the Penn-Sheraton has twenty-seven function rooms, eight of which seat up to 100. The expansive Pittsburgh Room seats 650 and features stage and complete exhibition facilities.

Drive-in elevator entrance for cars, trucks and heavy equipment. 10,000 feet of storage space for exhibit and display materials.

Just 3 blocks away the new public auditorium, which opens in 1961.

For more details, contact Mr. John Johnson, Sales Manager at the Penn-Sheraton, or Mr. Paul Mangan, Sheraton National Convention Manager, at the Sheraton-Park, Washington, D. C.

SHERATON HOTELS Coast to coast in the United States and in Hawaii and Canada

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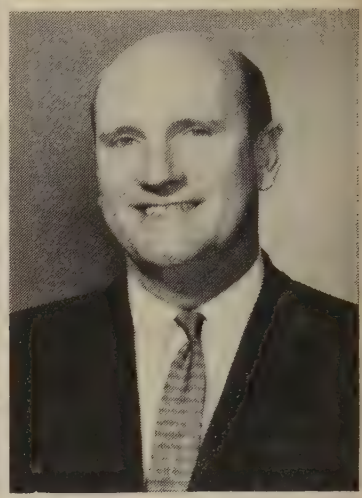
A NATIONAL SYSTEM repaid its cost in ten months.

ARNOLD J. ROMEYN, SECRETARY-TREASURER of Kit Manufacturing Co., Inc.



MODERN EXTERIOR of a Kit Stateliner Mobile Home.

"Our *National* Accounting System saves us $8,600 annually... pays for itself every 10 months."

—Kit Manufacturing Co., Inc., *Long Beach, Calif.*

"This year Americans will invest over a billion dollars in mobile homes. To keep astride with this giant market requires the most modern accounting techniques. That's why we have installed a National Accounting System," writes Arnold J. Romeyn, Secretary-Treasurer of Kit Manufacturing Co., Inc.

"We find the speed, accuracy, and efficiency of our National System frees departmental personnel for other important tasks. Even our most complex accounting demands are handled swiftly and precisely by Nationals. For example, our National Accounting System handles general ledger, payroll, accounts receivable, purchases, distribution, and a host of other record keeping requirements.

"To conclude, we feel that Nationals have certainly helped us maintain our position as the West's largest producer of mobile homes. Most important, our National Accounting System saves us $8600 annually . . . pays for itself every 10 months."

A J Romeyn

Secretary-Treasurer of Kit Manufacturing Co., Inc.

Your business, too, can benefit from the many time- and money-saving features of a National System. Nationals pay for themselves quickly through savings then continue to return a regular yearly profit. National's world-wide service organization will protect this profit. Ask us about the National Maintenance Plan. (See the Yellow Pages of your phone book.)

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1039 OFFICES IN 121 COUNTRIES • 76 YEARS OF HELPING BUSINESS SAVE MONEY

(Circle number 148 for more information)

OUR JOB: KEEPING KAISER'S MAGNIFICENT NEW HEADQUARTERS WHITE-GLOVE CLEAN

No job is too big for the Giant Janitor, and our recent assignment proves it. The new Kaiser Center, Oakland, California, is the largest office building west of Chicago; 980,000 square feet to be exact. It is only one of the thousands of buildings, large and small, that American services each year throughout the U.S. and Canada. Like to put our skill and experience to work for you? Just give us a call.

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SERVING MORE THAN 40 CITIES THROUGHOUT THE U. S. AND CANADA

ADDRESS INQUIRIES TO 335 FELL ST., SAN FRANCISCO 2, CALIF. OR CONSULT YOUR TELEPHONE BOOK

(Circle number 101 for more information)

WHICH SALESMAN HAD THE TONIC?

That's an easy one. There's one business tonic that never fails. It is a spirited contest . . . with merchandise prizes. Without such a tonic, now and then, salesmen naturally slow down. And so do sales. Our promotional programs have stirred up an uncommon amount of interest. Sales Managers keep telling us: "Your programs have zest and originality" . . . "your materials are great" . . . "the merchandise is exciting and well selected" . . . "what I like best is your Allowance Plan; my sales materials now cost us nothing . . . we appreciate your lower prices on the merchandise in your Prize Books".

May we tell you more?

John Plain

PREMIUM & INCENTIVE DIVISION
G. Rechlin, Manager

444 W. WASHINGTON ST., CHICAGO 6 (Phone Financial 6-5400)

(Circle number 155 for more information)

WON'T TEAR SHEETS—WON'T BREAK OFF! The first real improvement in report covers in a quarter century: Wilson Jones genuine pressboard No. 447 (N) "Redi-Covers" with new flat Nylon prongs. Sheets won't tear out, as with metal prongs. Nylon prongs last longer. They don't kink. Frequent bending, for removal or addition of sheets, won't break them. And, Nylon prongs can't cut fingers. 7 sizes, 3 colors. If your regular stationery dealer cannot meet your requirements, please send us his name. Ask for a free sample on your business letterhead.

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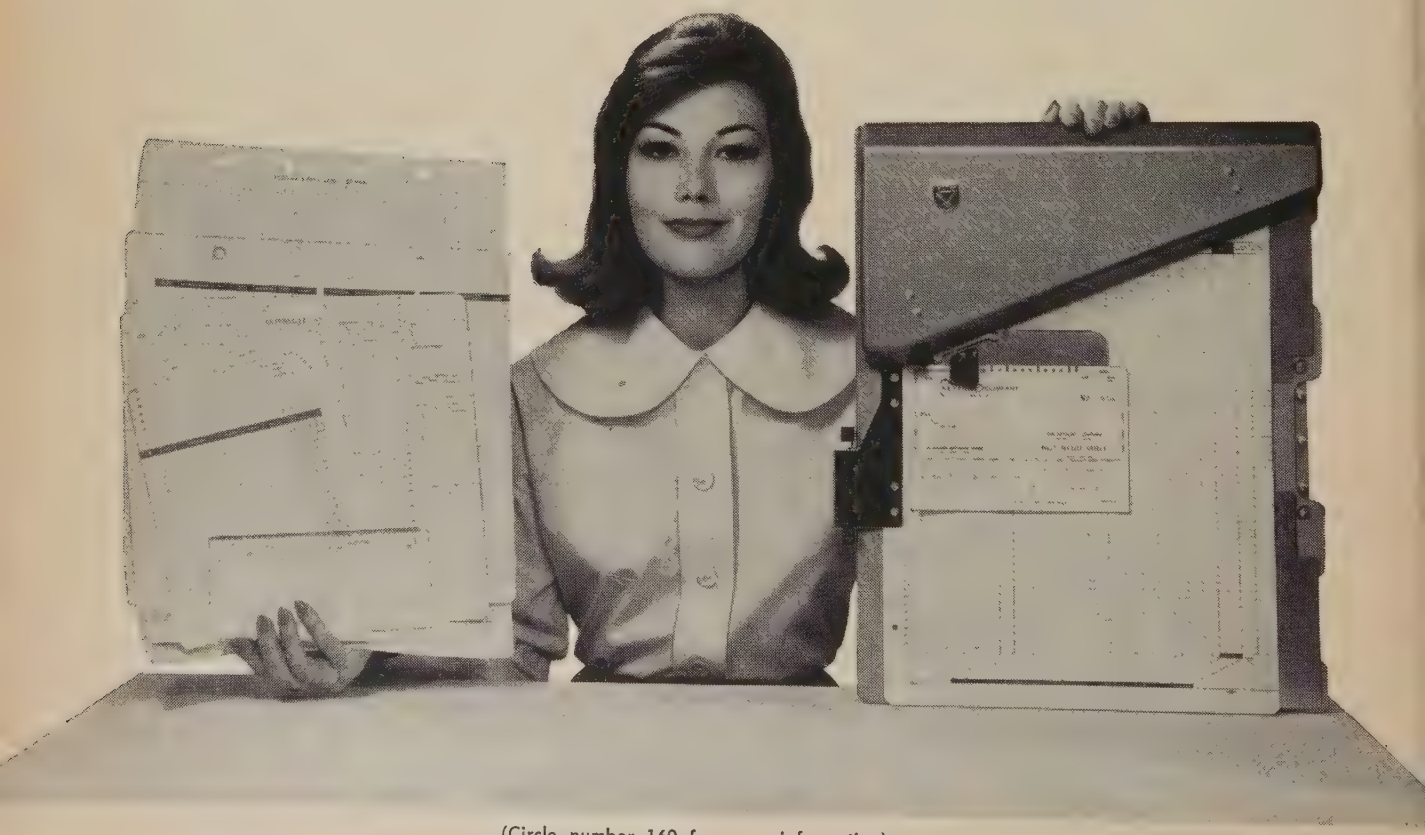
Accounting News from Royal McBee

From Royal McBee, leaders in the field of data processing, comes an accounting tool especially designed for the small and medium-sized business—as well as for decentralized offices of larger corporations. This is THE ROYAL McBEE GENERAL RECORDS POSTER. Most versatile, because it brings the benefits of mechanization to all your accounting—payables, receivables, payroll, general ledger—without specialized personnel. Most efficient, because it eliminates repetitive writing, slashes paper-handling costs by as much as 60%. Most flexible, because it's completely adaptable to current methods, varying work loads. Most economical, because its low cost is well within your company's means. Forms are immediately available from stock—or can be custom-made to your requirements. Your nearby Royal McBee Data Processing Systems Representative has had a wealth of experience in solving accounting problems. Call him, or write Royal McBee Corporation, Data Processing Division, Port Chester, N. Y. for your complimentary copy of our illustrated brochure Number S-533.



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Clip out and route to:

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Workshop for Management

PRACTICAL IDEAS YOU CAN USE RIGHT NOW!

PROBLEM STOPPERS

PAVE THE WAY FOR A PRICE INCREASE

■ IT PAYS TO PRE-SELL a price increase. Management can implement the smooth transition to the new price level, if this perennial problem is tackled intelligently.

Vice President of Sales Louis Neibauer, Edward Stern & Co., Inc., Philadelphia, suggests these steps to gain acceptance and success of a higher price:

1. Time price increases right. Issuance of an annual report, for instance, heralding record profits is not the psychological moment to release news of a price increase.

2. Make price changes when necessary, but hold them down to one a year, if possible.

3. Explain the reasons—but don't apologize—for a price increase.

4. If the boost is minor, put it through and forget it.

5. When faced with a major increase, don't make a major hurdle out of it. If you do, your sales force will marshal arguments why they can't sell at the bigger price tag.

6. Concentrate on the validity of the increase. Be forthright, unwavering in your explanation to salesmen.

7. Remind salesmen to skip the issue when dealing with new prospects who are unaware of the previous price level.

8. Alert current customers to place orders before boost takes effect.

9. Prod procrastinating prospects to order promptly to avoid pending increase.

10. Re-emphasize the importance of selling benefits, quality and service, rather than price.

MORALE BOOSTERS

PUBLISH HOUSE ORGAN IN LOCAL NEWSPAPERS

■ ONE WAY to get avid and added readership for your employee publication is to run it as a full-page advertisement in the local newspaper.

The Mermey Organization, New York public relations counsel, reports one corporation has done this with excellent reaction. It has several plants in a number of small towns and is a substantial part of each of these communities. Each month full-page ads herald the complete contents of the employee magazine.

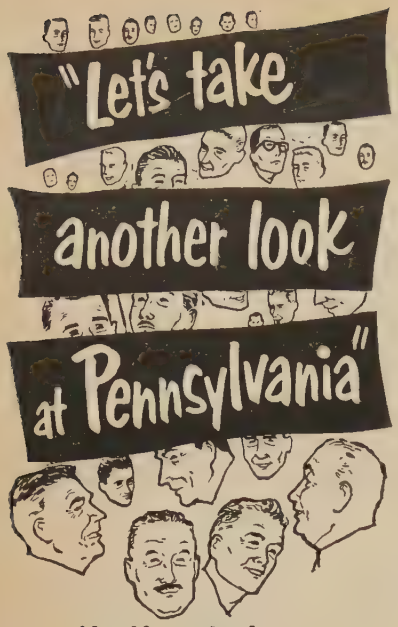
Results: worker and company news is better read by employees themselves, by their own families, and by the entire community. Side bonus: the local press is better informed and more amenable to company objectives.

TRY OFFBEAT AWARDS AS INCENTIVES

■ UNUSUAL PRIZES can sometimes stir up more enthusiasm among contestants than run-of-the-mill rewards. What's more, offbeat prizes are likely to reap more publicity during and after the close of the contest.

Take the case of the employee performance contest just completed by Star Employment Service, Inc. Top prizes: three pink Jeeps complete with pink and white striped surrey fringed tops.

Hard working winners were three



...that's what a growing number of industrial executives are saying and doing!

In the past four years they announced:

389 NEW PLANTS
391 RE-OPENINGS OF IDLE PLANTS
788 PLANT EXPANSIONS

(Send for the list—address below)

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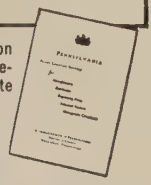
Surplus of industry-minded workers . . . Strategic locations in the great Eastern market with access to major trunk line railroads, and modern highway and Turnpike networks . . . Ports on the Atlantic, St. Lawrence Seaway and Ohio River system . . . All types of industrial raw materials and components . . . 100% low-interest plant financing in labor surplus areas . . . Choice of industrial "parks" and individual plant sites.

Excellent "tax climate"
No state personal income tax—no machinery or inventory taxes—no graduated state tax rates—no direct state property tax—manufacturing activities in Pennsylvania are exempted from capital stock, franchise, and sales taxes.

For free copy of "Plant Location Services" pamphlet, or for details on 100% financing, write or call:



Pennsylvania Department of Commerce
South Office Building
929 State St., Harrisburg, Pa.
Phone CEdar 4-2912

(Circle number 165 for more information)

pleased job counselors chosen for their outstanding performance in placing women applicants in appropriate posts.

Even though the contest is over, President William Oswald reports the pink Jeeps continue to create a stir wherever they travel in the Chicago business area.

PROFIT MAKERS

BEWARE CLICHES THAT STYMIE PROGRESS

■ SUREST WAY to throw cold water on ideas and innovations is to allow a negative attitude to prevail in your organization.

An executive can quickly kill enthusiasm, drive and progress by resorting to deadend cliches, warns David Yunich, president of L. Bamberger & Co., Newark, N. J.

Do you or your staff members resort to these progress-stopping vetos or evasions?

- The board won't go for it.
- It's against our policy.
- Let's appoint a committee.
- It's not in the budget.
- It won't work for us.
- We're too small (or too big) for that.
- That's not our problem.
- Why change? There's nothing wrong with our present system.
- The union won't stand for it.
- We tried that once.
- Let's shelve that for now.
- There are more pressing problems.
- We can't make time for it.
- It's too radical a change.
- We're not ready for it.
- It will cost too much.
- It will step on old Smith's toes.

INTRODUCE CUSTOMERS TO EMPLOYEES

■ "MEET THE BOSS" is a special feature that appears in each issue of the house organ of General Magnetic Corp., Detroit.

Purpose behind the series is to underline to employees the all-importance of customers.

The first "real" boss introduced in a full page article was the Jensen Manufacturing Co., Chicago. This explanation accompanied the article:

"Meet the Boss. From the melting to the packing and shipping department, we all work for the customer. He determines how steadily we work and what we earn. If we keep him happy with our permanent magnets, then he will keep us happy with his orders. Since the customer is the boss, let's meet him."

The editor of *The Magnet*, GM employee publication, says there has been more discussion in the plant over this series than all the personal notes lumped together.

ATTENTION GETTERS

USE PRODUCT SWATCHES AS CALLING CARDS

■ WHY NOT HAVE your salesmen's cards sample or suggest your product?

Owens-Corning Fiberglas, as an obvious example, uses calling cards made of Fiberglas.

Makers of cellophane, foil, fabrics, plastics, leather, aluminum and other metals, wood veneers and, of course, paper products can easily adopt this idea.

If your product is too bulky to use as a business card, why not die-cut the card in the shape of your

product or package? Anything from canned goods to machines to magazines can be made in miniature to graphically remind the prospect of your product.

Farrell Woodwork Shop, Stamford, Conn. has good results with wood grained calling cards. President Charles S. Farrell, Jr. says purchasing agents file and don't forget the firm's distinctive cards.

What's more, all its stationery

NOW...

more time for management

EVERY DAY the "paper work" mounts. Never before in the history of business has the handling of detail been so important — taken so much of management's time.

But there's a way to cut through this maze and to find more time for the really productive work. It's a simplified plan by Shaw-Walker — "*time-engineered*" to organize every one of your papers for instant finding, no matter how big or involved your record keeping.

Finding is up to *four times faster.* Operating costs for help are reduced. But most important, there's less to hamper and delay decisions; management has more time to manage.

For today's *cost- and time-conscious management* Shaw-Walker time-engineering research has now produced — Error-Proof filing systems; Automatic Expanding file drawers; Work Organized "clutter-proof" desks; Step-Saving fireproof equipment; Time-Saving payroll plans; Efficient automation accessories; and Numerous Other Devices that facilitate recording, filing and finding of records.

You can see them at one of our 17 branches or 470 dealers. Alternately, write for Shaw-Walker Office Guide which describes and prices all 4000 items. *Request on business letterhead.*

"Built Like a Skyscraper"

SHAW-WALKER

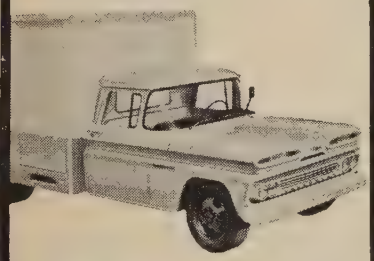
Largest Exclusive Makers of Office Equipment
Muskegon 6, Mich. Representatives Everywhere

smart truck users choose

NationaLease

the PREFERRED way to lease trucks

because it's national in experience and service—local in costs and controls

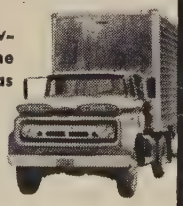


NationaLease supplies everything but the driver at flexible, local-level costs. On-the-spot management provides highest efficiency; full service, one-invoice truckleasing—the LEASE-FOR-PROFIT way.

NationaLease service doesn't add to your cost . . . it saves. Saves the capital and management time you now spend on trucks so you can put yourself—and your money—back into your own business.

Lease for Profit

Lease a new Chevrolet, or other fine truck, operate it as your own with no investment, no up-keep.



For facts about full-service, "Lease-for-Profit" truckleasing — and the name of your local NationaLease firm, write

NATIONAL TRUCK LEASING SYSTEM

Serving Principal Cities of the United States, Canada, and Puerto Rico

23 E. Jackson Blvd., Suite: M-10 Chicago 4, Ill.

(Circle number 150 for more information)

and forms use the same wood grain pattern—letterheads, envelopes, labels, invoices and statements. The related items give quick identity and remembrance value.

President Farrell says he has no intention of giving up the attention-getting design, started nine years ago. "It's the best sales promotion device we have. It makes people remember us—paves the way for extra orders."

SALES BUILDERS

PROMOTE YOUR PRODUCT AS A TOY

■ UNDER THE CATEGORY of having your cake and eating it too is the practice of promoting your product with toy replicas.

For instance, thousands of little girls have been introduced to General Mills products through Betty Crocker cake mix sets—faithful miniatures of mother's—sold in toy stores throughout the country.

To cite another notable case, there are now many more toy Gulf oil service stations in existence than real ones. The miniatures are being played with by some 150,000 young owners—not to mention their playmates. Merry Manufacturing Co., makers of the play service stations, estimates that this figure is expected to jump to 750,000 before the year's end. This compares with some 36,000 actual Gulf service stations throughout the nation.

The toy version duplicates—and advertises—some 13 major Gulf components, including gas pump, battery, battery filler with moving parts and Tourgide maps.

GIFT GIVING

TAKE COMMERCE OUT OF CHRISTMAS

■ IF IT'S YOUR POLICY NOT to give business gifts—and this practice is growing—you might want to commemorate Christmas with a worthy gesture made in the name of individual customers.

For instance, Canteen Co. of Oregon for years had followed the usual custom of regular gift giving. Then last year President Dewey Estey had an inspiration. He wrote a letter to each businessman on the company's gift list. He explained that in lieu of the customary gift, a toy was being given in the customer's name to the Portland Fire Deparment's "Toy and Joy Makers." This fire department's activity, like those in many cities, refurbish discarded toys to brighten the Christmas of children who might otherwise be overlooked by Santa Claus.

However, instead of secondhand toys, the Canteen donation was a truckload of brand new toys of all kinds.

Canteen customers unanimously were delighted to have a part in spreading pleasure in this way to hundreds of children. In fact, the plan was so heartily endorsed by the entire community that this year many other Portland firms are expected to follow the precedent set by Canteen Co.

COST CUTTERS

ACCENT IGNOMINY TO CURB TOLL CALLS

■ A COOL $80,000 has been pared from the annual telephone toll bill of Minute Maid Corp., Orlando, Fla.

Large part of the credit for this reduction goes to the institution of the Joe Blow Award to curtail lengthy long distance conversations.

A continual check is made of all outgoing toll phone calls. Once a

month, the employee with the most long-winded call is awarded the Joe Blow trophy—a pair of false teeth.

The individual's ignominy is com-

Write for this free report on

HOW TO SEIZE AN ALMOST OVERLOOKED BILLION DOLLAR MARKET

If your business sells to business, this report may alter your entire marketing picture.

Look at your marketing plans in the light of the explosively meaningful facts in this report:

1 The report shows how a small fraction of the nation's business firms buys *the major portion of all the goods and services sold to business!*

2 These firms in this small group are *not* the giant companies. Instead, they are the 48,000 companies with between 100 and 1,000 employees. *These middle-sized companies represent the single greatest undeveloped profit potential in the business market.*

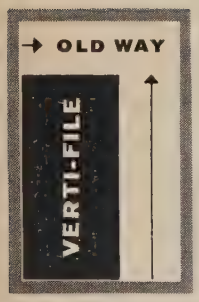
3 *This report shows how these companies are among the easiest for you to sell!* They are big enough to have both the need to buy and the ability to buy an endless variety of things. Yet they are small enough so that *usually only one or two key men in these firms make all the major buying decisions, and many of the minor ones, too.*

The full power of these facts is explained in this carefully researched report by *Management Methods*. The report is being offered without charge to top management executives of firms which sell to the business market—and to their advertising agencies and marketing advisers. Write on your company letterhead to receive a copy by mail.

MANAGEMENT MAGAZINES, INC.

Management Methods, School Management, Management Publishing Corp.

22 West Putnam Avenue, Greenwich, Connecticut



See how a VERTI-FILE installation can save you up to 58% in floor space? You start saving the moment you install one.

CUT FILING COSTS IN HALF WITH VERTI-FILE

You can actually save up to 50% in equipment costs when you convert from conventional drawer filing to the vertical shelf concept perfected by Royal's DeLuxe VERTI-FILE* system. This is because VERTI-FILE cabinets cost no more but hold twice as much. Savings in floor space, too, run as high as 58% because VERTI-FILE substantially reduces required aisle width by eliminating space-consuming drawers. This advanced idea in record-keeping makes filing up to 35% faster, easier, more accurate. DeLuxe VERTI-FILES by Royal bring you all the advantages of open-shelf filing, including maximum visibility, ease of access and entry, fully adjustable shelving, and "security-lock" doors if desired. DeLuxe's exclusive "Equalizer" feature insures easy opening of VERTI-FILE doors wherever pressure is applied. Steel construction and baked enamel finish give VERTI-FILE units the quality appearance of fine office furniture. And there is no need to buy new folders or change your existing system. Write today for complete information to DeLuxe Metal Products Division, Royal Metal Manufacturing Company, Dept. 79-J, One Park Avenue, New York 16, New York.

Royal®
DELUXE DIVISION

*T.M. REG. U.S. PAT. OFF.

(Circle number 162 for more information)

pounded by its prominent display in the company cafeteria.

The trophy is not always won by rank and file employees. Several top echelon members have copped the dubious distinction.

Simple as the device sounds, it works. The trimmed down toll costs testify to its effectiveness.

THOUGHT STARTERS

TRY SOLO BRAINSTORMING

■ BRAINSTORMING sessions — en masse—have been tried with varying degrees of success by many management teams.

Now, Stanley Arnold Associates, Inc. reports good results with do-it-alone brainstorming. Here are some of the techniques President Stanley Arnold recommends to foster ideas and solve problems. They have worked for him in dreaming up highly imaginative, but practicable, merchandising ideas.

Push whatever problem you're working on as far as you can and then put it aside for awhile. Don't go on worrying it to death after you've reached the point of no return.

When you do pick up that problem again, deliberately look at it from a new point of view—as if someone else proposed it. Listen to it, in your mind, as if someone else were talking and you were hearing it for the first time. This stimulates all sorts of reactions—gives you perspective.

Tell yourself you're not trying to change or improve the *old* idea. You're looking for a *new* idea to put with it. This is easier. And now you've got two ideas to work with instead of one.

Put the two ideas side by side; compare and contrast them. Try to find where the strength of one will offset a weakness in the other. You'll be surprised how many new angles will loom up. Among them, you'll find your fresh inspiration.

But you can't expect to "give out" with something new and different day after day unless you manage to "take in" something fresh and original as often as possible. Here are some tips on that.

Learn to "browse" through any

HERE'S PROOF

SAVE $84,632

on a 62,000 sq. ft. industrial plant in WESTern PENNsylvania

A unique, long-term (20-25 years), 100% Financing Plan at average interest rates *as low as 3¾%* makes such outstanding savings possible.

Under conventional financing, a 62,000-sq.-ft. plant costing $6.25 per square foot would cost $639,735 over 20 years at current interest rates of 5½%. That is, if you could get financing for 100% of the property at that figure.

This same building, amortized over 20 years using Pennsylvania's 100% Financing Plan, would cost only $555,103—*a saving of $84,*

Compare this with the usual maximum [illegible] loan of 50 to 60% of appraised value and higher interest rates, even up to 8%!!!

You'll also find a Triple-A Work Force, Centralized Location, Favorable Tax Climate and an excellent Transportation Network—*more proof* that you should look to WESTern PENNsylvania for your industrial future.

Want more details on how you can save in WESTern PENNsylvania as did many other firms*? Write today. *Names on request

WEST PENN POWER

an operating unit of the WEST PENN ELECTRIC SYSTEM

WEST PENN POWER, *Area Development Department*
Cabin Hill, Greensburg, Pennsylvania MM-20
Yes, I'm interested in details of WESTern PENNsylvania's labor supply—as well as:
☐ Plant Location Services Booklet ☐ 100% Financing
☐ Relocating or Establishing a Branch Plant
Please handle in confidence and mail to:
Company_____ Phone_____
Individual_____ Title_____
Address_____
City_____ Zone____ State_____

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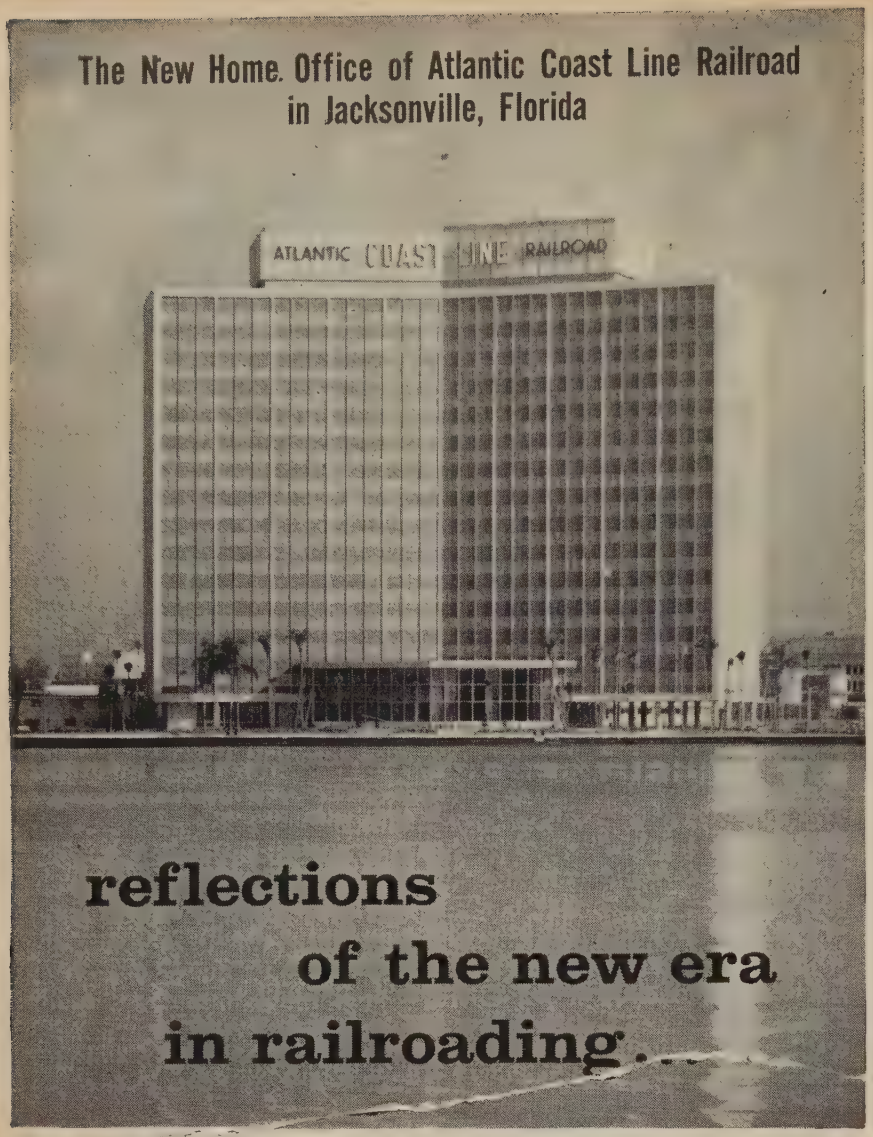


There's a new reflection in the St. Johns River in the heart of busy Jacksonville. Mirrored in the rippling river and rising 17 gleaming stories into the sky above is the new general headquarters of the Atlantic Coast Line Railroad.

This new building in a new home town marks a significant step forward for the Coast Line. We believe it also stands as an apt symbol of the refreshing transition now at work throughout our industry . . . one which promises unparalleled expansion and modernization of rail services and facilities.

Coast Line's new home at the center of our operations in the growing South is tangible evidence of our faith in this new era of more and better services for our customers.

...serving the Southeast Coastal 6

ATLANTIC COAST LINE RAILROAD

(Circle number 102 for more information)

crowded place—streets, theatres, department stores—as you would browse through a book. It doesn't matter if the nature of your business is vastly different from the affairs under your observation. Learn to "read" people, places and things. Ideas can crop up almost anywhere.

When you spot a *good* idea, try to bounce up immediately with another product, service, or area where that same idea could be applied. The more unlike the original product, service or area, the better. And never mind if neither the original nor the suggested application comes very close to your own particular business. You'll get to that on the third or fourth bounce.

When you spot a *bad* idea, don't just let it go at that. Figure out where it went wrong and what you would do instead in the given situation. *Re*-think everything you see around you. Try walking to your next appointment instead of relaxing in a taxi and see how many new ideas you can hit upon. They're lurking in every city or village block.

GOODWILL CREATORS

CULTIVATE COMMUNITY INTEREST IN YOUR COMPANY

■ You know your company is a good place to work, but does your community know it?

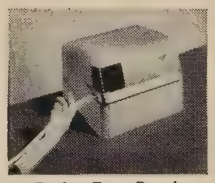
There's a good chance it doesn't, if you haven't made a concerted effort to publicize the fact to local citizens. In fact, surveys disclose startling misconceptions about companies in their own home towns.

It's well worth the time and effort spent on establishing a program for good community relations. There's no better way of attracting and retaining loyal, productive and willing employees.

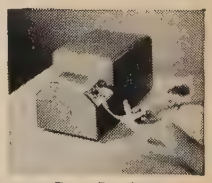
Many managements have found interpretative plant tours one of the most effective tools for creating community understanding of their firms.

The National Chamber has prepared a guide, "Plant Tour," based on the experiences of these businessmen. To order a copy, send 50¢ to the Chamber of Commerce of the United States, 1615 H Street N.W., Washington 6, D. C.

Stunt Box—your Big Plus with Teletype printers



Typing Tape Punch



Tape Reader

Send-Receive Page Printer

Automatic Send-Receive Set

Built into Teletype Model 28 page printers is a control device called the Stunt Box. The function of this unique component is to provide extra control facilities for both local and remote operations. Thus—in addition to transmitting, receiving and recording messages and data—the page printer can be used for a variety of switching, remote control and selective calling tasks.

The Stunt Box reduces costs by simplifying equipment needs and systems arrangements. It is the Big Plus—the extra value in Teletype Model 28 page printers and automatic send-receive sets.

Teletype Corporation manufactures this equipment for the Bell System and others who require the finest in data communications equipment.

Write for free 20-page brochure, "The Teletype 28 Stunt Box," to Teletype Corporation, Dept. 17-K, 5555 Touhy Avenue, Skokie, Illinois.

TELETYPE®
CORPORATION
SUBSIDIARY OF *Western Electric Company* INC.

(Circle number 169 for more information)

PROFILE OF THE NEW BUSINESS MARKET

Part one of a special two-part research analysis

Who makes the decision

IF you are a top manager, you will see *yourself* reflected in this research report on business buying practices.

But more significantly:

IF you sell to business, you will see *your market* profiled here. You will see the heart of the business market, with all the profitless layers lifted away.

Conventional methods of selling to business are no longer good enough. This report on the buying influence of top management could change your entire approach to your marketing problems.

COMING NEXT MONTH:

How to identify your best business customers

This month's article looks at the relatively few key men *who make the majority of buying decisions. Next month, the second half of this research report will spotlight the* relatively few companies *that buy most of what is sold to business.*

by the Management Methods Research Staff

to buy in business?

Research reveals one unequivocal fact about the business market and the men who make the decisions to buy.

The fact is simply this:

Right now, in most organizations, all major decisions are made by *no more than five key men.*

Commonly the decision group is even tighter—perhaps three or four. These three, four or five men hold tremendous power. They have their hands on virtually every decision that is made in their company.

Buying decisions are included in their span of authority. When a decision is made to buy something, one or more of the few key men either makes the decision or personally approves it.

This meaningful fact of key man control applies in business generally. It applies in large as well as small companies.

Who are the decision makers?

Who are these few men who hold such strong authority and who control so much purchasing power? They are the few top managers who operate at the heart of every business organization. Their most common titles are president, vice president, secretary-treasurer and general manager.

They may have other specific titles, of course. Furthermore, titles are sometimes deceptive. It is not always the man who has the authoritative title who holds the real authority, even though this is usually the case.

One interesting sidelight: a man who does hold a key decision making position in his company may not be fully aware of how deep within the organization his personal influence is felt.

And here is one further key point: even when there are four, five or more identifiable decision makers in a company, experience shows that one man may influence or indirectly make every decision. For example, where there is a strong president, other top executives will probably look up to him, adopt his management attitude, and follow his decision making patterns.

A sales target

There is obvious significance to the fact that in most companies only a few key men control virtually all decisions.

The significance of this fact is most pronounced in terms of selling products and services to the business market.

If you sell to business, then the few top managers in each customer company are a big part of your sales target.

Before a decision to buy can be

An "average" president

Age: *50 years;* **Joined firm:** *1937;* **Earnings from firm:** *$29,370;* **Stock owned in firm:** *15%;* **Trips per year:** *12;* **Days out of town:** *39.*

Some common decision areas: *profit sharing, key man insurance, new plant, sales organization.*

An "average" vice president

Age: *48;* **Joined firm:** *1941;* **Earnings from firm:** *$22,240;* **Stock owned in firm:** *1%;* **Trips per year:** *10;* **Days out of town:** *27.*

Some common decision areas: *pension plan, executive development, new plant equipment, advertising.*

An "average" secretary-treasurer

Age: *46;* **Joined firm:** *1945;* **Earnings from firm:** *$14,590;* **Stock owned in firm:** *under 1%;* **Trips per year:** *5 or 6;* **Days out of town:** *13 or 14.*

Some common decision areas: *administrative equipment, medical benefits, insurance, investment of funds.*

An "average" general manager

Age: *46;* **Joined firm:** *1947;* **Earnings from firm:** *$19,300;* **Stock owned in firm:** *Less than 1%;* **Trips per year:** *11;* **Days out of town:** *26.*

Some common decision areas: *administrative systems and procedures, service awards, leasing, new plant equipment.*

made, the key man or key men must first be sold—if not by your salesmen, then by his own subordinates who have been reached with your sales message.

It comes down to this: you cannot sell with effectiveness, economy and profit unless the top man is prominently considered in your sales strategy. He is the man who signs the orders that keep your business going. If you sell to business, you must sell top management as well as purchasing agents and direct users of your product or service.

Unquestionably, the competitor who does the best job of selling this man is going to close the most sales, and wind up with the lion's share of the market.

A sales problem

Your sales force will be quick to tell you that these key men we are talking about represent a tough sales problem.

The problem is that these men are not easy to reach. Certainly they are not easy for the ordinary salesman to reach directly, and they are not easy to reach by traditional selling methods.

Why are the decision makers hard to reach? Because, as the nucleus of the company, the decision making group is surrounded by protective layers of corporate organization. In one sense, the organization serves as a buffer which repels attempts—particularly attempts by salesmen—at direct contact with the boss.

In smaller companies, the problem is somewhat different. In these cases, where the top executive is embroiled in the day-to-day operating problems of his company, he can honestly claim (as he frequently does) that he just can't take the time to listen to a salesman tell his story.

The crux of the problem of selling to business, then, is the need to sell top management—coupled with the difficulty in reaching top management.

Fortunately, this sales problem is not as difficult as it sometimes seems. There are two reasons for this:

1. Characteristically, the key men in a company are looking for ideas. They are searching for ways to stimulate growth, cut costs, build profits, or reach other company goals. If your product or service is one that solves a specific business problem, particularly in terms of dollars and cents, top management will listen. And once top management is sold on the idea, the rest of the sales job becomes relatively easy.

2. There are tested and proved ways to sell to top level decision makers. These methods are in use by many alert firms now. Such methods are touched on in the concluding section of this article.

Which top management selling methods you use, and how you shape them to your own needs, can be determined only by the specific characteristics of your marketing program.

A valid premise?

Just to state that only a few top men make all major business decisions does not make it so.

Is the premise valid? Can it be substantiated in the face of current discussion of business decentralization and all that is known about the need for delegation of authority in management?

The answer is yes. It has been substantiated by a number of unrelated research studies.

For example:

- Last year a study was made among companies that sell to business. These firms were asked this question: In companies that buy your product or service, how many people, generally speaking, directly influence the purchase?

Findings of the study show that for most things sold to business, purchasing decisions are made by just a few men. In fact, in medium size companies (those with 100 to 1,000 employees), the study showed that no more than three executives, and usually only two, directly in-

Who responded

Table 1. A total of 1,421 presidents, vice presidents, financial officers and general managers cooperated in the *Management Methods* executive profile study. This table shows the breakdown of respondents by title and by company size (number of employees).

Firms covered in the size categories from 100 employees on up are representative of all firms in these size groups. This is because returns were obtained from a scientifically controlled cross-section of practically all firms with more than 100 employees.

In the under-100 employee category, however, the figures are not representative of the whole; they are based on survey returns from a select group of companies in this small size category. However, these figures do provide an interesting basis for comparison with figures from larger firms.

Survey respondents by title and company size

		Company size (number of employees)			
	All sizes	Over 1000	250-1000	100-250	Under 100
President	22.0%	14.1%	18.2%	27.7%	30.7%
Vice president	37.5	42.2	40.1	31.0	39.1
Secretary-treasurer (financial officer)	33.4	38.9	36.1	32.2	20.1
General manager	7.1	4.8	5.6	9.1	10.1
	100.0%	100.0%	100.0%	100.0%	100.0%
	(Base 1421)	(Base 270)	(Base 521)	(Base 451)	(Base 179)

siness market.

ence purchases for their com-
nies.

Two years ago a study was made
ong manufacturing companies.
e study was undertaken by *U.S.
ws & World Report*, Dun &
dstreet, Inc., and Benson & Ben-
. Purpose was to find out man-
ment's role in purchasing.

ix things that companies buy
re covered in the study: building
l plant fixtures, raw materials,
s and trucks, office equipment,
urance, machinery and equip-
nt.

Top executives were asked if they
ggest such purchases, if they ap-
ve such purchases, and if they
e direct contact with the seller.
f findings for all six purchasing
as are combined, this is the pic-
e that emerges:

Top management *suggests* the
rchases in 77% of the cases.

Top management *approves* the
rchases in 82% of the cases.

Top management has actual *con-
t* with the seller in 97% of the
ses.

Recently, the Research Insti-
e of America published its own
earch findings on management's
e in buying. As reported in last
nth's issue of MANAGEMENT
THODS, these were the key find-
gs of the RIA study:

Top management approval for
rchase orders is required at a
ch lower dollar level than many
pliers assume.

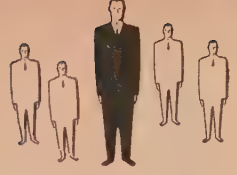
Branch operations or geographi-
decentralization of plants has
meant a scattering of buying
thority; home office approval is
l required on practically all or-
s.

Management is decisively in-
ved in purchases, more than
st suppliers assume.

Added evidence of this fact
nes from three top executives
o were recently discussing meth-
of controlling physically decen-
lized operations.

Said Hobart C. Ramsey, chair-
n of Worthington Corp.: "We
it the division manager's author-
to make capital expenditures."

Said Stanley De J. Osborne, pres-
nt of Olin Mathieson Chemical
p.: "I believe in tight control.
thout tight control, expenditures



Who makes the buying decision?

Table 2. This table is based on figures not only from the executive profile study but also from the corporate study (which will be reported in detail next month). The same question was included in both questionnaires: *In your company, how many people actively participate in virtually every major management decision, regardless of product, service or policy involved?*

The first five rows of figures in this table are cumulative (up to the "five or fewer" row). Thus the best comparison to make is between the percentages of firms in which all major decisions are made by five or fewer executives and by six or more executives.

For companies of all sizes, the figures show that in most cases (76.5%) no more than five key executives are the decision makers. In nearly two-thirds (60.3%) of the firms reporting, only four or fewer men are the key decision makers. In nearly half of the companies (42%) three or fewer men make all decisions.

The figures show that in even the smallest companies there are usually at least two key decision makers. As a company grows, the number of decision makers tends to grow, too, although not at the rate that might be expected. For example, even for the largest firms (over 1,000 employees) there are no more than three decision makers in nearly a fourth of the firms.

Earlier research by the *Management Methods* research staff shows that, even when there are four, five or more identifiable decision makers in a company, one man may influence or indirectly make every decision. A strong president, for example, will cause other top executives to follow his decision making patterns.

No. of executives making major decisions	Company size—(number of employees)				
	All sizes	Over 1000	250-1000	100-250	Under 100
One	**3.5%**	1.0%	2.4%	3.6%	5.0%
2 or fewer	**15.0**	7.1	10.5	19.1	24.1
3 or fewer	**42.0**	22.9	33.7	49.9	62.7
4 or fewer	**60.3**	39.3	52.1	70.0	79.5
***5 or fewer**	**76.5**	56.4	71.4	85.3	88.7
***6 or more**	**23.5**	43.6	28.6	14.7	11.3
*Total	**100.0%**	100.0%	100.0%	100.0%	100.0%
No. of firms (base):	**2595**	397	907	910	381

made by various departments or decentralized locations could run you out of house and home."

Said Gordon H. Smith, vice president of Smith-Corona Marchant, Inc.: "Under our system, capital items are budgeted, but must be reapproved by top management at the time the actual expenditure is to be made."

Another executive has put his finger on the centralization of real authority in business. J. Lawrence Buell, Jr., president of Formsprag Co., in Warren, Mich., was being interviewed by a MANAGEMENT METHODS editor. Said he: "I have regarded many substantial organizations, and I am quite sure that in all of them, all major decisions are made by no more than a half-dozen men at the top. Others may contribute to the thinking, but these others aren't really making the decisions."

Clearly, all signs point to the same fact—that top management, even in large companies, keeps a firm grip on the purse strings—and must be personally sold on an idea before releasing funds for a purchase.

You can substantiate this fact by considering your own company's purchasing practices. What is your personal influence on various kinds of purchases? Is it not true that one or more of the few key decision makers in your company control virtually every purchase that is made?

New research findings

Now there is a new research study to validate the premise that a few key men at the top make all major business decisions.

This new study of the business market has been carried out over a period of months by the research staff of MANAGEMENT METHODS. Here is how the study was conducted.

Two separate questionnaires were constructed. One was called an "executive profile study." The

continued on page 55

Facts about the decision makers

Table 3. The four sections of this table give you a picture of the anatomy of the "average" president, vice president, secretary-treasurer, and general manager. Actually, figures given here, with the exception of ages, are not averages, but medians, since median figures provide a more accurate reflection of the information compiled in the study.

The figures on vice presidents cover vice presidents in charge of various departments, as well as executive vice presidents. The figures on secretary-treasurers include a few related titles.

Note that, generally speaking, there is very little difference in the average ages of a man who is a top executive in a small company, and his counterparts in larger companies. There is also very little difference in the ages of men with different titles, although presidents and vice presidents tend to be slightly older.

There is a difference, however, in the length of time men with different titles have stayed with their companies. The average president has been with his company for 23 years. For the other executives, the time is shorter: 19 years for VPs, 15 years for secretary-treasurers, 13 years for general managers.

The advantage of being a corporate president shows up clearly in the comparative earnings of the four groups. (Figures given are income from the company only.) In the smaller companies, the president's salary advantage is not dramatic. However, by the time the company has grown to the 250 to 1,000-employee category, the president is making over $35,000, compared to about $23,000, $14,000 and $22,000 for the other three titles. In the over 1,000-employee category, the difference is even more dramatic: $50,000 for the president, against $30,000, $19,000 and $25,000 for the other men. The figures show, in other words, that as a company grows, the president's income rises on a much sharper curve than for other top executives.

This could be due partly to the fact that presidents have not only more authority but more financial control of their companies. About 88% of the presidents are stockholders of their companies; they own about 15% of the outstanding stock. Only about half of the other three groups own any company stock, and their ownership is limited to about 1%.

Another reason for the higher earnings of presidents is obviously the fact that they work harder. For example, the figures show that the average president travels to the extent of about three days out of town every month. The other top executives take fewer trips and are away from home for shorter periods of time.

		Company size—(number of employees)			
esidents	All sizes	Over 1000	250-1000	100-250	Under 100
Age (average)	50.5	53.8	50.8	50.5	47.1
Year joined firm	1937	1935	1937	1939	1935
Annual earnings	$29,370	$50,660	$35,350	$24,075	$19,820
Stockholder of firm (% yes)	88.1%	86.8%	88.4%	89.5%	85.2%
% of stock owned	14.9%	Under 1%	7.8%	23.5%	33.0%
Days out of town—business trips	38.7	50	43.4	31.7	27.3
Trips per year	12.3	19.7	14.1	10.4	11.9
ce presidents					
Age (average)	48.3	50.1	48.6	47.1	48.4
Year joined firm	1941	1938	1941	1941	1941
Annual earnings	$22,240	$30,870	$22,900	$19,420	$17,230
Stockholder of firm (% yes)	69.7%	78.9%	69.9%	65%	64.3%
% of stock owned	1.4%	Under 1%	1.2%	4.4%	6.1%
Days out of town—business trips	26.9	31.9	27	23.5	25.9
Trips per year	10.1	11.9	10.3	9.7	11.9
cretary-treasurers (financial officers)					
Age (average)	46	49.3	45.6	44.8	43.8
Year joined firm	1945	1942	1946	1947	1948
Annual earnings	$14,590	$19,070	$14,360	$13,120	$12,500
Stockholder of firm (% yes)	57.8%	67.6%	58.9%	53.4%	41.6%
% of stock owned	.8%	.6%	.8%	.7%	.7%
Days out of town	13.5	17.2	13.8	10.6	13.3
Trips per year	5.5	7.4	5.5	5.4	5.4
eneral managers					
Age (average)	46.3	51	46.3	46.5	43.3
Year joined firm	1947	1938	1945	1948	1953
Annual earnings	$19,300	$25,625	$21,750	$17,700	$13,750
Stockholder of firm (% yes)	40%	46%	44.8%	43.9%	17.6%
% of stock owned	.7%	.6%	.6%	.8%	3.3%
Days out of town	26.1	21.2	26.7	26	25.
Trips per year	11	less than 5	9.2	12.5	11.8

What are their major areas

Table 4. In the minds of many people, the modern top executive is a carefully dressed man sitting behind a mahogany desk in an expensively decorated office, with the smokestacks of a smoothly running plant framed in the window behind him. He sits there thoughtfully, devoting himself wholly to huge problems of overall planning and high finance.

The falsity of this picture is shown clearly in the new research findings. Figures *at right* show the top executive as a man on the move, with his sleeves rolled up, plunging into every area of the business where there are problems to be solved or advantages to be gained.

In the executive profile study, participants were given a list of 22 decision areas and were asked to specify the areas in which they made "a major decision relative to capital expenditure or policy during 1959." The columns *at right* show percentage of respondents in each company size category who said they did make a decision in the various areas last year.

The fact that a presidential decision on administrative systems and procedures was made in 65.2% of the companies does not mean that no such decision was made in the remaining 34.8%. Obviously a top executive other than the president could have made a major decision in the administrative procedures area. On the other hand, the figures in this table give reason to believe that if a major decision were made in this area, the president very likely would be involved. The same applies to many if not most of the 22 decision areas covered.

The figures show a very low degree of specialization among top executives. The relationship between the figures for the four different titles is fairly consistent. For example, a relatively high percentage of men in all four title categories said they made a decision on medical benefits, pension plans, and administrative equipment. On the other hand, their decision making was consistently lower in the areas of employee feeding and new stock issues. However, there are some understandable areas of decision specialization, too. For example, more general managers (73.2%) made decisions on new plant equipment than did secretary-treasurers (31.2%). But more secretary-treasurers (45.5%) made decisions on investment of funds than did general managers (11.8%).

The president

Decision area	All Sizes	Company size—(number of employee			
		Over 1000	250-1000	100-250	Under 10
Administrative systems & procedures	65.2%	68.4%	69.5%	60.8%	65.5%
Administrative equipment	35.5	21.1	36.8	36.	41.8
Pension plan	33.8	42.1	29.4	38.4	25.5
Profit sharing	35.1	31.5	35.7	37.6	30.9
Service awards	16.9	23.6	14.7	16.8	16.3
Medical benefits	36.1	36.8	28.4	37.6	50.
Feeding & housing	3.1	2.6	4.2	1.6	5.4
Key man insurance	31.6	31.5	27.3	34.4	32.7
Executive development	41.4	68.4	37.8	40.	32.7
Investment of funds	34.5	44.7	26.3	37.6	34.5
Leasing	26.8	44.7	24.2	23.2	27.2
Seeking capital	26.5	36.8	24.2	26.4	23.6
New issues	11.8	13.1	14.7	9.6	10.9
New plant	53.6	78.9	55.7	49.6	41.8
New plant equipment	64.8	55.2	75.7	66.4	49.
New product	47.9	44.7	50.5	50.4	40.
Sales budget	48.2	57.8	53.6	43.2	41.8
Sales organization	51.7	44.7	54.7	56.	41.8
Advertising budget	54.6	57.8	57.8	50.4	56.3
Advertising media	26.1	23.6	25.2	22.4	38.1
Warehousing facilities	23.9	42.1	24.2	20.8	18.1
Transportation equipment	22.	21.	20.	21.6	27.2

The vice president

Administrative systems & procedures	68.5%	68.4%	64.1%	71.4%	75.7%
Administrative equipment	38.3	40.4	29.2	46.4	45.7
Pension plan	37.1	45.6	39.2	31.4	28.5
Profit sharing	26.4	27.1	27.7	27.1	21.4
Service awards	15.3	16.6	17.7	13.5	10.
Medical benefits	38.6	30.7	35.4	46.4	45.7
Feeding & housing	4.1	5.2	2.8	5.	4.2
Key man insurance	23.6	19.2	26.3	25.	20.
Executive development	40.3	48.2	41.6	40.7	22.8
Investment of funds	33.3	39.4	32.	36.4	21.4
Leasing	28.8	30.7	26.7	37.1	15.7
Seeking capital	13.8	16.6	13.3	11.4	15.7
New issues	12.3	16.6	13.8	9.2	7.1
New plant	47.2	53.5	50.2	46.4	30.
New plant equipment	57.	53.5	59.3	62.8	44.2
New product	39.2	42.9	37.7	43.5	28.5
Sales budget	39.9	38.5	41.6	39.2	38.5
Sales organization	37.3	32.4	38.2	40.7	35.7
Advertising budget	42.4	46.4	39.7	44.2	36.3
Advertising media	21.5	22.9	15.7	27.1	25.7
Warehouse facilities	27.3	25.4	28.7	28.5	24.2
Transportation equipment	23.	21.	25.3	24.2	17.1

# of decision?

The secretary-treasurer (financial officer)

Decision area	All Sizes	Company size—(number of employees) Over 1000	250-1000	100-250	Under 100
Administrative systems & procedures	80.4%	80. %	80.3%	80.7%	80.6%
Administrative equipment	59.1	46.7	60.6	62.1	75.
Pension plan	37.5	42.8	34.6	38.6	33.3
Profit sharing	25.7	25.7	22.3	31.	22.2
Service awards	11.1	13.3	7.9	11.7	19.4
Medical benefits	42.6	33.3	43.	47.5	47.2
Feeding & housing	3.3	3.8	3.7	2.7	2.7
Key man insurance	28.4	29.5	23.9	34.4	25.
Executive development	18.9	26.6	17.5	18.6	5.5
Investment of funds	45.5	53.3	43.	42.	50.
Leasing	29.5	26.6	31.5	27.5	36.1
Seeking capital	16.2	13.3	14.4	20.9	19.4
New issues	10.9	19.	9.5	8.2	5.6
New plant	25.1	24.7	25.5	25.5	22.2
New plant equipment	31.2	20.	30.3	37.9	41.6
New product	14.1	8.5	13.8	17.2	19.4
Sales budget	27.6	21.9	23.9	33.1	41.6
Sales organization	9.2	2.8	5.3	16.5	19.4
Advertising budget	25.5	19.	21.2	28.9	52.7
Advertising media	6.1	1.9	4.7	6.8	22.2
Warehouse facilities	12.4	5.7	8.5	18.6	27.7
Transportation equipment	13.5	7.6	9.5	19.3	27.7

The general manager

Administrative systems & procedures	63.6%	53.8%	62. %	70.7%	55.5%
Administrative equipment	27.7	23.	24.1	31.7	27.7
Pension plan	27.7	47.6	31.	26.8	16.6
Profit sharing	11.8	15.3	3.4	14.6	16.6
Service awards	15.8	23.	13.8	17.	11.1
Medical benefits	35.6	46.1	34.4	29.2	44.4
Feeding & housing	4.9	23.	3.4	2.4	—
Key man insurance	11.8	15.3	17.2	9.7	5.6
Executive development	38.6	38.4	58.6	26.8	33.3
Investment of funds	11.8	23.	6.8	9.7	16.6
Leasing	23.7	30.7	17.2	26.8	22.2
Seeking capital	10.8	7.6	13.7	4.8	11.1
New issues	2.9	15.3	3.4	—	—
New plant	45.5	46.1	44.8	41.4	55.5
New plant equipment	73.2	69.2	86.2	68.2	66.6
New product	49.5	15.3	58.6	56.	44.4
Sales budget	31.6	53.8	31.	17.	50.
Sales organization	45.5	30.7	24.1	53.6	72.2
Advertising budget	34.6	23.	31.	34.1	50.
Advertising media	23.7	15.3	10.3	26.8	44.4
Warehousing facilities	33.6	15.3	41.3	31.7	38.8
Transportation equipment	32.6	23.	37.9	29.2	38.8

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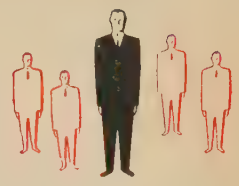

other was called a "corporate study."

Executive profile. The executive study was designed to create a statistical picture of top executives in the four major title categories of top management: president, vice president, financial officer (particularly secretary-treasurers), and general manager.

The questionnaire included questions about the executive in relation to his job and his company—salary, years with firm, stock ownership, etc.

In addition, the questionnaire listed 22 capital expenditure areas, ranging from purchase of employee medical benefits to purchase of transportation equipment. Executives were asked to indicate the capital areas in which they personally made a major decision last year.

Finally, the executive profile questionnaire asked this question: *In your company, how many people actively participate in virtually every major management decision, regardless of product, service or policy involved?*

Corporate study. The second questionnaire, the corporate study, was designed to create a statistical picture, not of executives, but of companies as a whole. It called for general corporate information, such as type of business, number of employees, and so on; information on capital investments (net worth, buildings owned, plans for expansion, etc.); and information about sales and distribution (volume, foreign markets, advertising methods, etc.).

In addition, the corporate study repeated one question from the executive profile study: how many people participate in virtually every company decision?

Scientific sampling

Each of these questionnaires was sent to a random sampling of the MANAGEMENT METHODS readership. Actually, this random sampling provided a scientifically selected cross-section of the worthwhile layer—

the cream—of the American business market.

Here's why:

The circulation of this magazine is scientifically controlled to reach decision making executives at the policy level in U.S. companies of all kinds with a minimum of 100 employees. The magazine reaches virtually all companies with over 1,000 employees, and about four out of five companies in the country with between 100 and 1,000 employees.

Earlier studies by the MANAGEMENT METHODS research staff have established the fact that there are only 51,000 business establishments in the U.S. with 100 or more employees. These companies constitute the worthwhile segment of the business market because 1) they buy most of what is sold to business, and 2) they buy in large enough quantities to make it profitable to sell to them.

The Research Department thus concluded that a sampling of the magazine's own circulation would provide the best base for the two research studies that were to be conducted. A random sampling of these readers would provide a representative cross-section of top executive titles in a representative cross-section of companies.*

Anatomy of the decision makers

A total of 1,421 completed survey returns were received from executives participating in the profile study.** *Table 1* on page 50 gives the breakdown of these returns both by title and company size. *Tables 2* through *4* give you a tabulation of the findings drawn from the questionnaire answers.

Note that in most cases median figures are presented, not averages, because the medians present a more accurate and more meaningful reflection of the facts compiled in the study.

Find yourself in the picture

To find yourself in this picture, first locate the tables which pertain to your title or the title closest to your own. Then, within these tables, find the company size category (number of employees) that covers your own firm. Now compare yourself and your company with the various figures presented, and you'll find out how close you come to being "average."

If you examine the tables closely for a few minutes, thinking in terms of your own business, you will find that you can make all kinds of valuable comparisons and analyses with the figures. A few general analyses in capsule form are presented in the captions with each table.

How to sell to top management

All of the findings of this research study converge to form a pinnacle point.

The point is this: in most companies just a few top managers (usually five or fewer) make all the major decisions. They may perform their decision making collectively, or they may do it individually. Nevertheless, since they make the decisions, including the buying decisions, they must be sold one way or another before any buying is done.

How can they be sold? For many products and services sold to business, the traditional method has been for salesmen to sell at the operating or middle management levels, and hope that their sales story is then carried up to the top with some degree of enthusiasm and accuracy.

Alert companies have turned away from this obviously weak approach. Instead, they now sell both to the user and to top management, as directly as possible.

This commonly means that top management of the selling firm must get involved in the selling job. It makes sense that if top management of the customer firm participates directly in the buying, then top management in the selling firm should participate at least indirectly in the selling. For example, a president who is inaccessible to a salesman is likely to open the door to the president or other top executive of the supplier firm.

Telephone selling. As reported last month in MANAGEMENT METHODS, some presidents use the telephone to keep in touch with regular customers and to establish contact with new prospects. They find the method offers these advantages among others:

- It permits top management-to-top management contact without consuming a lot of time.
- Person-to-person calls will practically always get through, especially if the caller mentions his title.
- Preliminary calls help identify the most likely and unlikely prospects—and, at the same time, can open the door for personal visits to those desired.

Personal visits. Of course, another way that top management can take part in selling to business customers is with personal visits. Some top executives schedule a certain amount of time each month for field selling.

Experience shows that there is some danger in this. If top management gets too deeply involved in the sales job, salesmen may begin to lean on this kind of support as a crutch. Top management sales activities should be a supplement to, not a replacement of, the regular sales program.

Other methods. There are other ways to sell to the top management of your customer firms. One is by directing your advertising to top management. This can be done both by the way your ads are written and designed, and by the selection of media to carry your ads. Generally speaking, if you sell something to business, your advertising should reach both the user level and the top management level.

Letters, direct mail, special sales presentations—there are dozens of ways to sell to the men at the top who make the buying decisions.

Unquestionably there are problems in selling to top management but these problems can be readily overcome if one condition exists—if your product or service can be sold on the basis that it solves or helps to solve a specific business problem.

If what you sell can be demonstrated to cut costs, improve methods, build sales, increase profit in the customer company, then top management will listen, eagerly.

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*A minor portion of the *Management Methods* circulation goes to firms with fewer than 100 employees. These are select companies and are in no way representative of the more than four million firms in this size category. Nevertheless, survey returns from this special group of small companies does provide an interesting basis for comparing top executives in small firms and large ones.

** Slightly more than 800 returns were received from participants in the corporate study. Analysis of the findings in this study will be reported next month in the second half of this research report.

WAIT!

Don't take the obvious for granted in Plant site selection

When selecting a new plant site, don't *assume* anything. The decision is too important for that. Before you nail down a new plant, give attention to everything—especially those details that seem obvious.
In almost every sentence of this article you'll find an item that warrants attention.

by Maurice Fulton, *Partner, The Fantus Co., Chicago and New York*

Maurice Fulton has traveled nearly a million miles and visited more than a thousand communities in search of economical locations for new plants. He joined The Fantus Co. in 1939. Founded in 1921, the Fantus Co. has helped locate more than 1,800 plants in North and South America.

The Fantus Co. has some 40 specialists trained in labor, taxation, marketing, raw materials, power and fuel, transportation, geology, and similar fields which affect the success potential of a new plant in a new location.

Suppose you've decided just where to put your new plant. Everything appears right: labor is plentiful, markets and suppliers are nearby, taxes are favorable, the new community is waiting for you with open arms.

You've even checked the plant manager's mother-in-law, and she considers the new place adequate for herself and her daughter.

Wait!

Slow down a minute before you make your final decision. You have probably chosen the right place. But in deciding something as vitally important as the location of a plant, *probably* isn't good enough. The word *probably* permits the possibility that you are making a very costly mistake.

Specifically, what mistake could you be making? Here are 12 mistakes that companies have commonly made when picking a plant site. Companies by the dozens have unwittingly fallen prey to these hidden pitfalls. If you know these dangers exist, it will help you to avoid them.

1 There was no frivolity intended in the mention of checking the new location with the plant manager's mother-in-law. In one case, a midwest company had decided to move—but the research director's

mother-in-law decided to stay. If her mother wouldn't go, neither would the research director's wife. If his wife wouldn't move, neither would the research director. And he was important enough to this organization that it wouldn't go to a new location unless he went along too.

This company is still doing business at its old, uneconomical stand.

Moral: the success of the new location depends on people. For some companies, it's the entire work force; in most, it's a number of top echelon people who are the cogs turning the wheels of industry.

Don't choose a plant location unless you know beforehand that your essential cogs will go there with you.

2

Be careful about calculating labor costs at your new location. For example:

- Average labor costs don't tell enough. What is the cost for the particular labor skills you will need?
- Even comparative costs for individual skills don't tell enough. Local fringe benefit practices may make apparent labor costs much higher.
- Other easy-to-overlook factors: length of local workweek, overtime patterns, turnover, absenteeism. Poor worker attitudes may be converted into man-days lost in strikes and labor disturbances.

3

Will the site you choose do the job expected of it?

One company selected a site in California, but failed to take soil borings. After $750,000 was spent to pile the land, the site was abandoned.

Flooding may cause unexpected problems, too. If the prospective site has been flooded within the past 20 years (and don't expect anyone to volunteer this information), chances are it's a good one to avoid.

Site-related factors also affect economics. If utilities have to be extended to the site, who pays for the extension?

Are you only *assuming* that local public transportation authorities will service your plant and employees.

4

Have you been lulled into thinking the available labor force is adequate? Maybe you'd better check more closely. Without people in your factory, you won't be in business long, and yet hundreds of firms have made foolish estimates of local labor resources.

Locations near resort areas or adjacent to high paying seasonal industries usually have less labor available than is apparent.

Has a local industrial development group been successful in attracting another new plant, along with yours, so that you will be in competition for the labor supply?

Are you assuming that you'll be able to attract workers who now commute to high paying jobs outside the city? That seldom works out. And are you fully familiar with the caliber of the local available labor force? Over-age applicants, marginal workers, drifters, and the physically unfit may cut the local labor reservoir to a bare minimum —or less.

Consider this rule of thumb: for your new location, insist on a ratio of at least four applicants, permanently and locally available, to every job required. This will assure reasonable selectivity.

5

An electronics company, employing nearly 400 people, located in a new plant about five years ago. After a couple of years of operation, management was convinced it had made an excellent choice, reporting savings on production and distribution costs of 16%, chiefly because of geographic location.

Within the next five years, however, this company will be in trouble. Why? Because it failed to look far enough into the future. Its present site allows no room for expansion; further, it is hemmed in by residential and commercial expansion nearby. Before long, with continuing good business, it will have outgrown its present home.

Choosing a site of inadequate size for future growth is a common failing. More subtle pitfalls, but equally common, lie in choosing sites served by water, sewerage, power, and gas lines of limited size.

This, then, is a basic of plant location studies: a site that will provide for only your present needs is inadequate; instead, a description of your needs should be based on a realistic projection of your company's business level, markets, manpower needs, technological developments, supply sources, and related factors of 10 to 15 years from now.

6

Chances are that an important reason you're seeking a new location is to effect significant economies in distribution. Yet, with this as an obvious and primary goal hundreds of firms have made decisions where no economies were gained or even where distribution costs ran higher.

As is so often the case, assumptions based on the obvious are the evil spirits.

For instance, one large company, judging it would be close enough to the existing industrial district, *assumed* its new location was within the free pickup and delivery zone of a large city. It was not. The estimated cost of this oversight is in the neighborhood of $40,000 annually. Here are some other common errors:

- *Assuming* freight transportation services will be available. The use of a highway in front of a plant site by over-the-road trucking firms does not in any way guarantee service from these companies. In some cases, your preferred trucker may lack authority from the Interstate Commerce Commission to serve you, or the trucking companies available to you may not provide direct, efficient service to th

ints you wish to reach easily. *Assuming* that favorable com-ɔdity rates applying at certain ints will be available at nearby cations. This may not be the case cause the favorable rates conflict th historic interrelationships be-een freight rate-making territor-s.

Assuming, in building a ware-ɔuse, that the available freight ɔread" is sufficient to warrant the pital outlay involved. Freight onomies in separate warehousing ay be more apparent than real. careful study citing projected ansportation costs from the plant d from the proposed warehouse called for.

7 Does the new community ave a wide enough range of serv-es, supplies, and supporting in-ustries necessary to your plant? We have found a number of cases metalworking and product as-mbly where the community easured up well in availability of rimary supplies for manufacturing quirements, but lacked nearby cilities for forging, plating, and eat treating . . . problems that ould not be solved for a number years, but which affect adversely e day-to-day operations of these ms.

Other companies, including emical manufacturers, have re-orted it necessary to carry exces-ve and costly inventories of spare arts to insure reliable operations mply because their localities lack ell-stocked mill supply houses ɔle to make prompt deliveries of ecessary items.

8 Have you ruled out any ɔssible problems connected with ilities and their costs? In a Fantus rvey some years ago, 400 com-anies indicated they had made iscalculations concerning costs r water, gas, power, or effluent sposal, with water problems es-ecially frequent.

Engineers of one company using ght million gallons of water quarterly estimated charges of $967 prior to location. To say the least, they were surprised at their first quarterly bill: $1,580. Someone hadn't told them, and they hadn't checked, about sewer assessments.

A number of chemical companies in the Southwest, requiring water for cooling, found unexpectedly high ground water temperatures. In other cases, companies have admitted that insufficient water pressure made necessary the unexpected construction of expensive sprinkler tanks.

And, in cases parallel to the assumption that trucking firms using highways passing a plant will provide freight service, many firms have been chagrined to learn that they could not tap into natural gas pipes that pass near or through their communities. As with transportation service, the federal government controls interstate natural gas service, and the proximity of a line is by no means assurance that service is available locally.

9 It is estimated that one of every 10 failures in new plant locations is due to the fact that executives in charge of selecting the location simply are not fully aware of their own production and distribution costs. These men have failed to evaluate and weigh the cost "input" factors of their product —labor, assembly of raw materials, transportation, power, fuel, and so on—and therefore are in no position to delineate the problem, emphasize savings in the most important cost elements, and subordinate lesser cost factors.

Thus, for instance, in a plant employing extensive automated processing, a savings of 20% in labor costs may be inconsequential, while a savings of 5% in transportation costs may be very important.

10 Tax structures obviously are important in the cost of doing business, but a realistic estimate of

continued on page 108

True or False?

"No need to worry about truck service at this new plant site. Trucks from three motor freight companies go by here every day."

"Gas service will be no problem. A pipe line runs right along the highway where we plan to put the new plant."

"Flooding? No chance of that here. There has never been a flood in all the 12 years I've lived in this town."

"Obviously, we don't have to worry about labor in the new plant location because there are enough available people to provide three or four applicants for every job we have to fill."

"We are going to make a tremendous saving when we move to our new location because the taxes are so much lower there."

Every one of these statements is potentially false. Why? Because they are all based on the mistake of assuming fact from the obvious. Millions of dollars have been lost by just such seemingly innocent reasoning when a new plant site is being selected.

How to protect your employees

Your employees—and you, yourself—are subject to a limitless variety of gyps and swi dles. An employee who gets "hooked" on one of these swindles may become a compan liability. Many firms make a point of warning their employees of the "wolves who wait the factory gate." Here are the facts on the most frequent types of gyps and racket

As metal worker Tom Bronson left the plant one pay day last spring, he was approached by a smooth talking salesman.

"Say, Bud, take a look at this!" The salesman held up a shiny ring and a good looking watch. Pushing the ring onto Tom's finger, he said, "You look like a nice guy to me. I'd like you to take that ring home and show it to your wife. Use the watch as long as you like. No charge at all."

The ring looked fine. So did the watch. "What's the catch?" Tom asked.

"No catch. Just try them out. Bring them back any time you like. Oh, yes, you'd better sign this slip of paper, so I don't get in trouble with the boss."

Tom's wife didn't like the ring, and the watch didn't work. But when Tom tried to return them, he found the "slip of paper" he'd signed was a note binding him to exorbitant payments. What's more, his pay was garnisheed—tied up by a court order until the watch and ring were paid for.

Rackets as seemingly transparent as this one are being worked on employees all over the country.

Here's what commonly happens when an employee gets "hooked" on such swindles. He loses more money than he can afford. He begins to worry and he becomes a le effective worker. In some extren cases, swindled employees have b come so ineffective on the job th they have had to be released. Th compounds the employee's proble of course.

As a manager, you've cause to concerned. First of all, a man's j performance drops. Secondly, if h pay is garnisheed, it's an addition bookkeeping job for you. Ma companies even have a policy th states that an employee who wages are garnisheed is subject dismissal.

The third cause for concern that you yourself may fall victim one of these gypsters. True, you probably too knowledgeable to f for the same racket Tom Brons did, but how much do you kn about storm window "deals" . "special" home remodeling off . . . air conditioner "discoun . . . TV purchase-service "break

The sharpsters who work the gyps are subtler, perhaps, than t ones who lurk at the factory ga but their basic methods are t same. And they can "take" you much more.

The most frequent types of sw dles—and actions to guard agai them—are outlined in the followi sections. After reading them, y may want to post a checklist warnings to your employees. "

"It won't cost you a cent."

About this article

This article and its illustrations were adapted from several booklets written by David R. Buschman for the Cleveland Better Business Bureau.

The booklets cover such topics as "Your home, paradise for gyps," "When you buy on time," "TV without tears," etc. They are available either in single copies or in bulk quantities for a nominal price. Some firms distribute these booklets among their employees.

If you'd like more information about booklets available, and prices, write to the Cleveland Better Business Bureau, 345 Hanna Bldg., Cleveland 15.

rom rackets and gyps

ıe good way to boost employee lations," reports the personnel anager of a manufacturing firm.

eware of "special prices"

Nobody ever gets something for ɔthing. But there are too many ɔople who think they can. Here's ı example.

At a coffee shop near his plant, ıe employee was offered a $75 atch for $30. He examined it careılly in the dim light. It appeared be a genuine Longines. He took and went home happy over the eal he had put over for $30.

But when he showed the watch his wife under the bright lights home, he got an unpleasant surrise. The name on the dial looked ke Longines, but close inspection ıowed that it really said "Lorjine." reputable dealer estimated it was orth $2.50.

Warning: amazing discounts are lmost certain to lead to trouble. void them.

The same kind of swindle, with ariations, is used with perfume, apliances and TV sets.

Outside one office building, a ılesman was doing a booming busiess with perfume wrapped in a ıncy package. The price—$18.50 was clearly marked on the outside. ut the salesman liked the people at the ABC Co., he said, and that's why he was offering the perfume at half-price—just $9.25.

It worked—until one suspicious girl found that the same perfume could be bought in a downtown store, not for $18.50 or even $9.25, but for two thin dollars.

In another case, a salesman operating in a tavern near a plant offered TV sets, any make or model, at a flat 40% off. But, he told the men who fell for it, he needed $75 cash down-payment to swing the deal.

Weeks went by and no sets were delivered. But he had a good line, and kept collecting. One day he disappeared with all the money. Left: many "suckers" less $75.

Warning: be suspicious of any stranger who offers to "get it for you at a discount." In nine out of 10 cases, he's out to pad his wallet, not yours.

The "coupon" racket

Sometimes sharpsters will talk merchants near a plant into offering grease jobs, lunches, dry cleaning, etc. at a special low price for plant employees who buy coupons. The plan is supposed to build business for these merchants.

A total of 10,000 coupon books were sold to workers in one large factory. Figure out how long it would take one small service station involved in the coupon book program to provide 10,000 grease jobs. The merchants lose goodwill, the plant employees are out of cash and the promoters leave to clean up at a new location.

A variation of the coupon book is the "merchandise check" gyp. Smooth talking salesmen pass these out at the plant gates, assuring employees they are worth $10, $20, even $100 toward the purchase of a diamond ring, TV set, car, and so on.

"Give me $10 now and . . ."

Actually, these "checks" are worthless. Workers who have taken them in for redemption are fast-talked into buying at a higher price than they would have paid in a reputable store. Shady merchants will jack a $50 dollar price up to $70, meaning they can afford to "discount" a $10 merchandise check, and still make a killing.

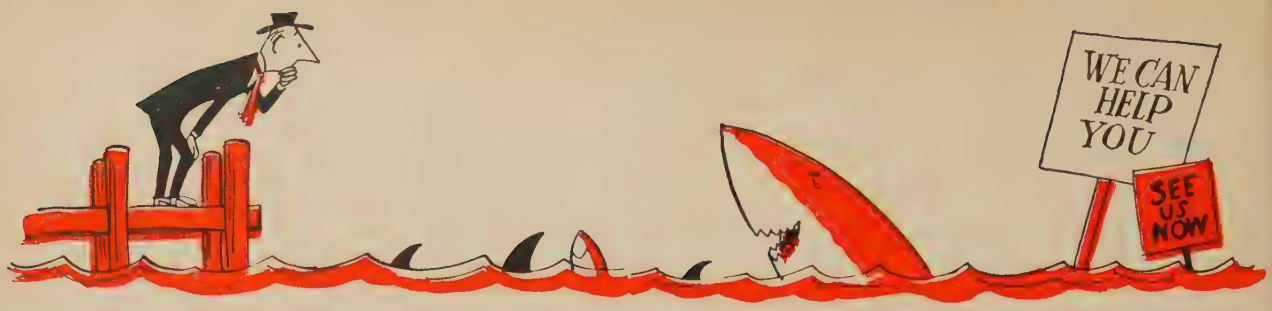
Punchboard gyps

Some racketeers will talk a plant's employees into unknowingly victimizing their fellow workers. One way they do it is with the punchboard racket.

The swindler will wait until he gets a couple of employees alone. He'll tell them that if they get fellow employees to buy chances on a punchboard he supplies, they'll get a free radio or appliance for their trouble. He claims that the fellow workers can win valuable prizes. He may even say that the profits will go to a worthwhile charity.

Here's the catch: the merchandise provided for winners is cheap and shoddy, if the winners get anything at all. The employee who

Amazing discounts: trouble.



bought the punchboard in the first place (with the "sure guarantee" of getting his money back) is in double trouble. He's taken by a swindler and he's in the doghouse with the fellow workers.

"Suit club" swindles

"Suit clubs" are an increasingly popular racket. As expected, everybody loses but the sharp operator who sells them. They work several ways.

For instance, an industrial employee joined the Marshall Seith suit club, paying $2 a week toward the purchase price of a "tailor-made" outfit. He received a coupon book with a numbered ticket that was torn off by the suit club's salesman.

"If your number comes up at our weekly drawing, you get your suit free," the salesman said.

After the employee had paid $38 toward his suit, he decided he wanted it then. The suit cost $75, so he went to the store and paid the balance he owed. When he tried the suit on, it didn't fit. He took it back. The tailor made a few alterations and returned the suit, but it still didn't fit. There, claimed the tailor, his obligations stopped.

The trouble with suit clubs is that the "sucker" pays a good deal of money for inferior work and inferior materials. The supposed drawing is just a come-on; usually it's fictitious. In every case, employees are better off if they buy their merchandise from reputable retailers.

What about "wholesale"?

It doesn't matter who you are—it's seldom that you can really "get it wholesale." Certain costs are involved in selling single items to many people. These costs cannot be compared to wholesale costs, where one item is sold in large amounts to one single customer.

But gypsters still attract "suckers" with the magic words "wholesale," "factory-to-you," and "discount."

Here are some typical swindles.

Mary Walker, a secretary, was approached by a salesman as she was leaving work one evening. He talked her into joining a discount club. She paid $2 a month membership dues, getting in return a 40% discount on anything in the catalog.

One day she decided to buy a top-brand radio. It was listed in the club's catalog for $64. The 40% discount brought the price down to $38.40. Months later, she discovered that $38.40 was the regular retail price at any store in town.

Many unethical dealers, retailers and discounters pad prices to make the discount look good. Some print price lists double what they should be, then offer goods at "half price."

Another man paid $250 to a factory-gate "wholesaler" for a bedroom set and an incinerator. Six months later, he had received only the box springs. When he complained, the salesman stalled him with, "Don't ask me. I sent the order to the warehouse. I don't know what they've done with it." The warehouse in this case was 300 miles away. Experience shows this sort of run-around may stretch on for years.

Outside the door of an eastern manufacturing plant one evening, was a truck with several TV sets on it. One employee bought a set at a reduced price, but returned it the next evening. "It doesn't work," he complained. The salesman told him nothing could be done, since it was a discount purchase.

Many discount houses are thoroughly reputable and offer outstanding bargains. But the magic in the name "discount house" has attracted many gypsters who hide be hind it. If you're going to go to discount house, it pays to know th store's reputation.

Watch what you sign

The most insidious swindlers ar those who try to get the customer' signature on what they call a "re ceipt." Actually, these "receipts turn out to be high-payment pur chase contracts or, even worse, cog novit notes.

A cognovit note with your nam on it authorizes "any attorney a law to appear in any court of rec ord in the United States and waiv the issuing and service of proces and confess a judgment agains you." It is also a promise by th signer to "release all errors an waive all right of appeal." Cognovi notes are not recognized in ever state; only some states have them

Here's how one man was tricke into signing a cognovit note.

Larry Streeter, a steel worke was waiting for a bus one nigh when a man in the crowd showe him a ring, and asked him if he' like to buy it for his wife. Larry wa cautious, and he didn't bite.

"Tell you what," the salesma said, "just give me $10 and you ca take it home. If the wife doesn't lik it, let me know and I'll give yo your $10 back."

That sounded all right, so Larr quickly signed a "receipt," an jumped on his bus. What Larr signed was a blank note; the sales man later filled in the price of $30

Larry's wife didn't like the rin so Larry took it to the "store" th salesman had mentioned There h was faced with a brusque "mana ger" who refused to listen to Larry complaint. Larry left the ring on th counter, and walked out.

This is just what the "manage

continued on page 11

Is now the time for you to consider

A COMPANY PLANE?

This article helps you decide—whether you could profit from an owned or leased plane . . . how to choose the right plane . . . how to "manage" a company plane . . . when and when not to fly . . . whether you need a pilot and how much to pay him . . . what hidden costs are important . . . how much insurance to carry . . . how to depreciate a plane for tax savings.

It's not how big your company is that determines whether you can profit from a company owned or leased plane.

Companies in every size category can be cited as dramatic examples of how a company aircraft can save money, time and work.

Says A. H. Singer, president of the Alemite Co. of the Southwest, in El Paso, Texas: "Ours is a pretty small company. I handle a lot of the work, frequently in fairly distant cities. A typical trip might take me to Pampa, Texas, about 410 miles from El Paso. It used to take me nine to 10 hours to drive the distance. It was rough. Now I fly in my Cessna 182 in three hours. I can get there and back in a single day, and still get a good deal of work done."

If not company size, then what does determine whether you could profit from an aircraft? MANAGEMENT METHODS' analysis of the facts, plus interviews with plane users and experts in the field, shows these are the factors that determine a plane's profitability for you:

1. How well you manage your plane. Says one longtime executive

flier: "A plane is an expensive asset. It deserves at least as much management planning and control as any other expensive equipment."

2. How well you select your aircraft. A plane's chief value is speedy transportation. But, paradoxically, a 300 mph aircraft may save you less time than a plane that flies only 150 mph.

3. How wisely you use your company plane. Analysis shows that the companies which get the most profit from their aircraft are often the ones whose top management use the planes least.

4. How well you promote your company aircraft. Despite the fact that company planes are becoming increasingly common, the prestige and public relations value of a plane are still unquestionably strong.

When a plane isn't profitable

■ It's not hard to find companies that have bought or leased planes, then turned them in after a short time because they were disappointed with the return on their investment.

But the facts show that the disappointment is often due to poor use of a plane, not that the plane held poor profit potential for these firms.

MANAGEMENT METHODS studied the records of one large manufacturing firm that recently sold two small, four-seater planes. It had owned the planes for about a year, and had put about 250 hours of flying time on each.

This firm has scores of salesmen who travel extensively throughout the eastern half of the country, yet the planes were reserved for executives' flights.

Why is the firm selling the planes? "Lack of use," says one of the vice presidents. "We found that not enough of our key people really needed the planes."

The firm never considered designating the planes for the use of salesmen who could unquestionably have used them to build sales and profits, and cut time and travel costs. That's one example of poor aircraft management.

Here's another.

Several years ago, a large New York bank bought a plush aircraft to build customer relations an prestige. These are two reason that have proved to be sound fo having a plane, but the plane ha seldom been used for these pu poses.

"We're selling the plane for very simple reason," says one ban officer. "We discovered that it wa frequently used for joy riding b almost anyone who asked for i Last winter, a group of our execu tives took the plane up to Canad for a two week hunting trip. Whe we looked into the matter closely we found that the plane was ofte used for bank officers' own pleas ures. Frankly, these were abuses o a rather expensive machine. We ad mit that the plane was a convenien thing to have. It helped our pres tige. But we simply couldn't affor such an expensive luxury."

If the bank had seen to it tha the aircraft was used solely for th purposes for which it was bought strong benefits would undoubtedl have resulted. But the plane wa misused, and so was a good deal o the bank's money.

The fact is this: some companie

COSTS & PERFORMANCE: 16 BUSINESS AIRCRAFT

	Pilot(s) salaries	Average price	Cruising speed (mph) (a
Cessna 172		$ 9,250	131
Piper Tri-Pacer PA-22		10,500	134
Mooney Mark20A		16,000	180
Cessna Skylane		17,000	160
Piper PA 24-180 Comanche		18,000	181
Beech 35 Debonair		20,000	185
Beech M35 Bonanza		28,000	200
Helio H-395A Courier		36,000	163
Piper PA-23 Apache	$ 7,200	43,000	171
Beech Travel Air B95	7,200	57,000	200
Cessna 310C	8,400	60,000	218
Aero Commander 560E	8,400	90,000	210
Beech H-50 Twin Bonanza	8,400	96,000	223
Beech G18S Super 18	16,200	150,000	214
Fairchild F-27A	27,000	830,000	300
Grumman G159 Gulfstream	27,000	900,000	365

(a) At 65% to 75% engine power.
(b) With 30 to 45 minute fuel reserve.
(c) Estimates based on *Business/Commercial Aviation* magazine's in-flight evaluations.

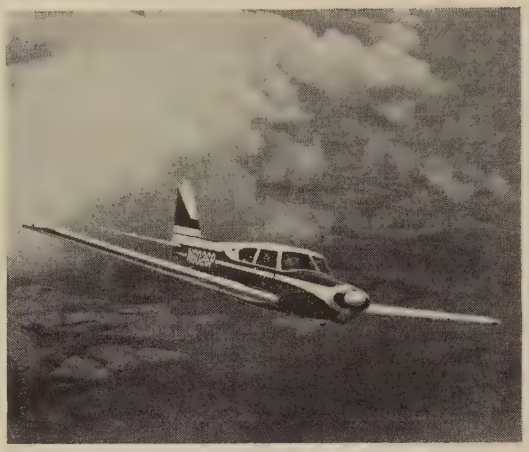
Range (b) (miles)	Passenger seats	Annual operating costs (c)	Cost per passenger seat mile (600 hours yr.)
445	4	$ 7,916	$.037
536	4	7,212	.032
500	4	9,611	.035
555	4	11,476	.044
740	4	10,368	.038
535	4	12,682	.042
575	4	13,930	.042
473	4	17,740	.050
650	3	27,549	.113
615	3	22,183	.096
660	4	38,030	.083
970	4	44,996	.099
950	5	53,912	.085
1,080	6	64,328	.093
2,000	16	323,040	.118
2,200	12	326,398	.113

$9,500

Cessna 175
Range: 595 miles
Seats: 4

$18,000

Piper Comanche
Range: 740 miles
Seats: 4



$28,000

Beechcraft Bonanza
Range: 575 miles
Seats: 4

don't realize the real profit they could be getting with their airplanes. Too often planes are considered an expensive luxury, not a profit making tool.

When well managed, a company airplane can bring in strong profits and chop costs sharply. The following sections show how.

An analogy

■ Think for a moment how much management planning goes into organizing an auto fleet.

Suppose a company wants to buy eight cars for its salesmen. The total investment can be kept under $20,000. Yet detailed studies will be made. All costs, as well as specific benefits, will be listed. There will be an analysis of each man's travel needs. There will be a decision about who will get to use the cars.

Policies, procedures and plans for safe and efficient use will be worked out in advance. Even the types of automobiles most suitable will be decided only after comparison of accurately defined costs and benefits pertaining to the different cars.

MANAGEMENT METHODS' research shows that hardly any of this detailed planning goes into the purchase of a company plane which in most cases is a far more costly investment than a fleet of cars.

Here, according to the experts, are the questions you should ask if you're considering a plane.

Why buy a plane?

■ Ask this first: Does your firm need a plane?

Here are the most common reasons why many companies today are buying business planes.

Market expansion. Planes make it easier to cover a greater territory, or a larger number of customers, without a corresponding increase in the number of personnel.

Improved service. Customers and dealers appreciate extra attention. Says one executive VP, "We use our planes to get our important people—top level, middle management and technical—to trouble spots before the trouble becomes a disaster."

Broader control. Top executives of one decentralized firm make regular flights to the firm's plants. They lend on-the-spot assistance, at the same time strengthening top management control.

Travel flexibility. Company personnel who travel extensively can leave when they want to, go where they want to, with company planes. They don't have to depend on commercial airlines that leave at prescribed times and land in prescribed places.

Time saving. Some firms use planes to fly their middle managers around. Other firms give more weight to saving the time of top management. One firm says that it attracts talented directors from widely scattered areas because it assures them, that via the company plane, minimum time will be devoted to trips for meetings.

Company prestige. Don't be afraid to list "company prestige" as a strong reason for buying a plane. In today's highly competitive marketplace, a properly maintained corporate image is a real asset.

Advertising and public relations. Here's another powerful advantage you get with a company plane. You can advertise the fact that you can handle rush orders on 24-hour service. A published article about your company plane, pictures in newspapers, or press releases highlighting a unique use of your plane can give your public relations a real boost.

More sales calls. One salesman who uses a company plane reports that

$60,000

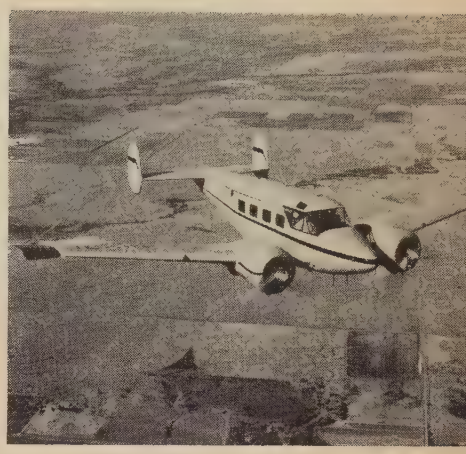
Cessna 310D
Range: 660 miles
Seats: 4

$81,500

Aero Commander 500 B
Range: 1,100 miles
Seats: 7

$150,000

Beechcraft Super 18
Range: 1,080 miles
Seats: 6



he now sees almost twice as many customers a week as before.

There are many legitimate reasons why a company plane might be the best investment you could make right now. But make sure your reasons are legitimate, based on sound business principles. One of the most costly mistakes you could make is to buy a plane just to "follow the leader."

Which one to select?

■ If you've decided that a plane can increase your profits, the next question is: How do we select the best one for our purposes?

Here's what the experts recommend. Make a list of what you want the plane to do, then shop around for the aircraft that comes closest to your requirements.

How do you make such a list if you know nothing about planes? Ask these questions:

1. Who's going to use the plane? Top management? Salesmen? Engineers? For three or four engineers, a four-seater Cessna 172 ($9,250) or a Beechcraft Debonair ($20,000) might be perfect.

For transporting top executives or influential clients, you might want a larger, plusher type of aircraft. These can range from the largest Beech, Piper, Cessna or Aero Design models up to the million dollar plus jet models from Lockheed or McDonnell Aircraft Corp.

2. Where does the plane have to go? If you are going to use a company plane for short, quick hops, it doesn't make much sense to buy a plane with a huge fuel capacity and long range capabilities. Conversely, don't get a plane with 300-mile range, if most of your flying will be from coast to coast.

3. How fast should the plane fly? Too many firms about to buy a plane become obsessed with speed. They fail to consider the *kind* of speed they need.

True, speed is the primary advantage of flying. But it is not wise to choose one plane over another simply because it flies faster. Here's why.

No company gains anything from fast flying alone. The real benefit comes in taking the least possible *total* time in getting from one point of work to another. Air speed is sometimes secondary to other factors in producing the shortest *office-to-office* time. Ground travel is a major factor here.

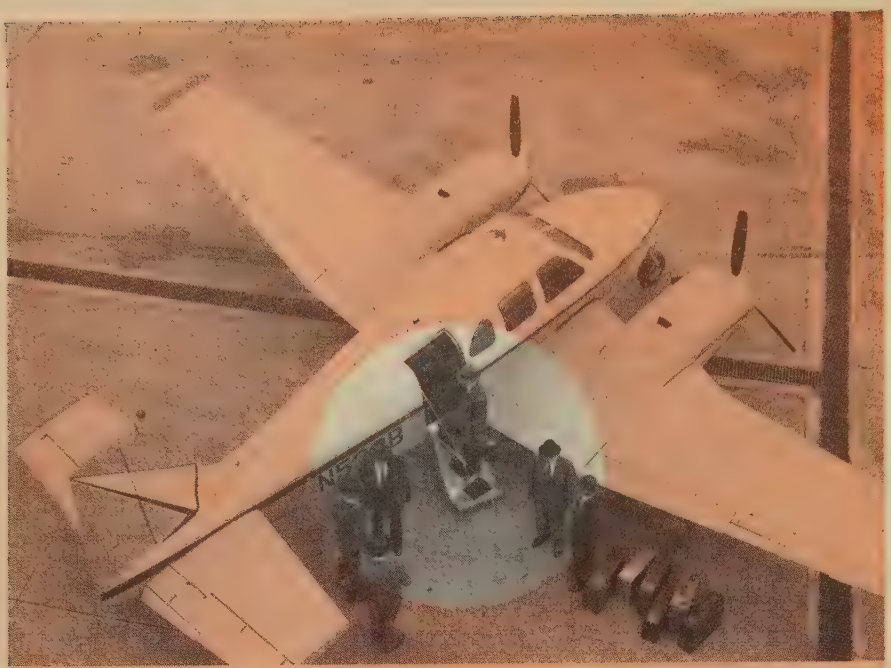
For example, a customer's plant may be on the opposite side of a large city from the commercial airport. That could mean a taxi trip of an hour or more each way. But suppose there is a small airport within five minutes of the plant. (Studies show this situation is common.) An airplane which cruises at 150 mph but which can land in small fields can often shorten the office-to-office time of a 250 mph plane on a 250 mile trip.

First, determine the exact locations of each starting point and destination point. Then find out what kind of airports are nearby. Faster planes generally need long, paved runways. Are such airstrips convenient? Perhaps smaller, noncommercial landing strips are more conveniently located—airstrips which are perfect for smaller, slower planes. (The Federal Aviation Agency puts the number of available business airstrips at over 6,000.)

There's another consideration when you're determining how fast your plane should fly: cost.

Horsepower costs money. Naturally, the faster the plane, the more horsepower the engine requires. Horsepower has a direct bearing on the initial cost of the engine and on every hour of operation.

For example, if a 165-HP engine



SHOULD EXECUTIVES FLY TOGETHER?

The old adage of "Two is company, three is a crowd, four is too many and five's not allowed," seems to sum up the attitude of many managements concerning the number of executives that should fly together, according to the National Industrial Conference Board.

Sixty percent of the 102 companies responding to a recent survey report that they place limitations on the number and rank of executives flying together.

The board finds, however, that formal written provisions regarding this practice are the exception rather than the rule, with only 10% of the respondents having written policies.

Two or three executives in one plane

In all cases, NICB finds, these formal restrictions apply to the company's top echelon, and in most instances are extended to cover members of management operating committees or councils, key divisions and department heads and their top assistants. The board finds that such regulations normally state that no more than two or three key executives may fly in the same plane.

Unwritten restrictions

While written rules governing company officials flying together appear to be relatively infrequent, unwritten restrictions are practiced in about half of the participating firms. Such restrictions are often "clearly understood" and effectively enforced.

Other companies placing limitations on their flight-bound executives follow highly informal types of arrangements. For example, several companies report that the senior executive on the flight decides what restrictions shall be in effect, based on the particular situation; or such matters are left to "the discretion of the president" or to the officer responsible for the aircraft operation. A few firms simply state that they "follow normal safety measures."

No limitations

The NICB finds that approximately 40% of the participating companies place no air travel limitations on their executives.

However, most cooperating companies feel that to practice safety measures offers a form of insurance against the possibility of suddenly losing a concentration of managerial ability, however slight that possibility might be.

Source: The Conference Board Management Record Volume XXI, No. 7-8

will give a cruising speed of 150 mph, the same plane would require over 650-HP to cruise at 300 mph. (That's because air resistance increases as the square of the speed. Required horsepower increases in almost the same ratio.) Also, in the 650-HP engine, fuel is consumed four times as fast. Greater horsepower increases the weight and size of the engine, reducing the load the plane can carry. Not only does the larger engine increase the initial cost of the aircraft, but it means higher operating costs.

"Sometimes extra power is desirable for attaining better takeoff performance, but power for speed alone is an added expense which is often out of proportion to value received," says C. Glen Williamson, an aircraft management consultant with 25 years' experience in aviation.

What's the total cost?

■ There's no getting away from it: it's expensive to own a plane. It's not only the initial cost of the plane *(see box, page 64, for price ranges of typical business aircraft)*, but there's hangar rent, airport fees, fuel, maintenance and upkeep, insurance, and—if you hire one—pilot's salary. In the space of one year these items can run into a pretty high figure.

To find out specifically what it costs to own and operate a plane MANAGEMENT METHODS examined closely the cost record of one firm that operates a business plane—the White Manufacturing Co., Elkhart, Ind.

W. McKean White, Jr., the firm's vice president, estimates that the company's Cessna 182 (four-seater) cost the company $5,227 to own and operate for one year. The plane was flown 272 hours at a cost of 3.[illegible] cents per passenger seat mile. Per trip, the operating cost was $47; per flight hour, the cost was $19.1[illegible] Here's a breakdown to show how White determined these figures.

The firm borrowed $16,000 (purchase price of the plane). The interest was 5%, or $800. Total purchase cost: $16,800.

The firm planned to trade the

continued on page 10

ASSOCIATIONS that can serve you

You can get valuable help from the many business and professional associations in the U. S. Often, you don't even have to join. Here is a digest of some of the leading associations, plus the services they offer.

Have you overlooked the services you can get for your company from associations?

Most business, professional and trade associations have a wealth of research data, library facilities, and helpful publications for the asking. Some have free educational or training films. Nearly all associations hold regular meetings at which information is developed and exchanged. And there's a multitude of other services that associations can provide. Some associations are good sources of service even though your company isn't qualified to become a member.

MANAGEMENT METHODS editors recently sent questionnaires to associations in the business field. The following list was developed from those that responded. Read the list and chances are you'll find several associations here that can supply you—or other men in your company—with valuable help.

*** Member services that are followed by an asterisk are available to non-members.**

American Management Association

1515 Broadway, New York 36, JUdson 6-8100

Lawrence A. Appley, *President*

Membership: 30,000 managers in commerce, industry, and government.

Publications: *The Management Review** (a monthly digest of current articles in the business press); *Personnel** (a bimonthly magazine for specialists concerned with executive development, employee selection and training); *Management News* (a monthly newsletter describing current AMA activities); *Supervisory Management** (a monthly magazine designed to help firstline supervisors in plants and offices). Also available are many management reports and research studies. Offered at retail prices are books on specific management problems.*

Services: Library*; Executive Compensation Service (information on amounts and methods of pay for various echelons of management); meetings*; courses in management techniques*; problem solving clinics.*

Meetings: Information on time and

Conference dinners are a good place to exchange information informally.

place of meetings available on request.

Membership cost: Individual membership—$50 annually. Minimum company membership—$300 annually.

(*Will send literature on request.*)

American Marketing Association

27 E. Monroe St., Chicago 3, CEntral 6-8306

Vance Lockhart, *Executive Director*

Membership: 8,500 market researchers, marketing managers, marketing professors.

Publication: *Journal of Marketing** (quarterly).

Services: Conferences,* publications,* personnel placement.

Meetings: Regional meetings in six or eight cities.

Membership cost: National membership—$15 annually. Chapter fees range from $3 to $15.

(*Will send literature on request.*)

American Production and Inventory Control Society

330 S. Wells St., Chicago 6, WEbster 9-4955

Robert J. Mayer, *Executive Secretary*

Membership: 1,300 production control managers, inventory control managers, management control supervisors, production managers, etc.

Publications: *APICS Quarterly Bulletin** (contains results of research projects, case histories, book reviews, writings and speeches of members, etc.); *APICS News* (non-technical newsletter containing news of chapters, members and national organization).

Services: Research projects with chapter participation; surveys of wages and other practices in the field; periodic bibliographies of books, articles, and talks in the field.

Meetings: 32 regional meetings in all chapter areas.

Membership cost: National dues—$7.50 annually, plus local chapter dues.

(*Will send literature on request.*)

American Society for Personnel Administration

44 Kellogg Center, East Lansing, Mich., EDgewood 2-1511, Ext. 3338

Paul L. Moore, *Executive Vice President.*

Membership: 2,000 directors of industrial relations, personnel managers, training directors, wage administrators, interviewers, personnel research directors.

Publications: *The Personnel Administrator* (bimonthly); Annual Directory of Members for exclusive use of members.

Services: Library service, distribution of results of research studies; exchanges of ideas regarding new procedures; employment clearing service; national annual conference; regional institutes in some areas; assistance in solving technical personnel problems; research; contacts with national government agencies and specialized advisory assistance to them.

Meetings: 37 chapter meetings throughout the country. Regional institutes in about five areas.

Membership cost: Regular and associate membership—$25 annually.

(*Will send literature on request.*)

American Society of Corporate Secretaries, Inc

10 Rockefeller Plaza, New York 20 CIrcle 6-7744

Bracebridge H. Young, *Executive Director*

Membership: 1,206 corporate secretaries, assistant secretaries, vice presidents, general counsels.

Publication: *The Corporate Secretar* (monthly).

Services: Publishes frequent reports on corporate matters.

Meetings: Regional or local meetings

Membership cost: Entry fee—$25; annual dues—$90.

(*Will send literature on request.*)

American Society of Insurance Management, Inc

8 W. 40th St., New York 18, OXford 5-1677

Linda Burke, *Editor*

Membership: 1,200 corporate insurance managers.

Publication: *The National Insuranc Buyer* (bimonthly).

Services: Research; conferences; seminars.

Meetings: Local meetings in 25 cities eight regional meetings.

Membership cost: National dues—$2 annually. Chapter dues vary.

(*Will send literature on request.*)

Association for Computing Machinery, Inc.

14 E. 69th St., New York 21, RHinelander 4-1779

Prof. H. D. Huskey, *President*

Membership: 6,500 scientists, engineers, and computing machine programmers.

Publications: *Journal of the ACM* (quarterly technical publication) *Communications of the ACM* (monthly technical and news publication); *Computing Reviews** (bimonthly review journal).

Meetings: Regional meetings in 2 cities.

Membership cost: $6 annually.

(*Will send literature on request.*)

Association of Better Business Bureaus, Inc.

405 Lexington Ave., New York 17 YUkon 6-6360

Victor H. Nyborg, *President*

Membership: 116 Better Business Bureaus in the U.S., Canada and Mexico, supported by about 100,00 businesses.

Publications: *A Guide for Retail Advertising & Selling** (book); Consume

While the program of Governor Rockefeller and his "hard-hat" administration has created the nation's most rewarding climate for businessmen in New York State, the women at home haven't been forgotten, either. New homes, schools, shopping centers and recreational facilities have sprung up so fast that New York State's *living* climate is second to none. Cities, suburbs and rural areas alike are undergoing vast modernization treatments . . . while the state's natural beauties, historical sites, ocean beaches and upstate mountains and lakes are unequaled in the variety of pleasures they offer. And when it comes to fashion, culture and entertainment, New York State has no rivals . . . not only on Fifth Avenue, and in the theatres, concert halls and supper clubs of New York City . . . but in thriving communities all over the state.

We'll compile a report tailored to your specific new plant needs. Write Commissioner Keith S. McHugh, Dept. of Commerce, Room 657, 112 State St., Albany 7, N. Y. (All contact between your office and ours will be kept *under* our hat.)

GET UP TO DATE ON NEW YORK STATE . . . WHERE THEY'RE TALKING THE BUSINESSMAN'S LANGUAGE

(Circle number 151 for more information)

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To supply your printing and duplicating needs, adequately, with true, print-style faces calls for a *variety* of type designs. This is a simple procedure with VARITYPER. Simply change the type face...in *two* seconds...using *two* different type fonts at one time. Imagine the variety of needs you can cover ...all professionally exact...all professionally attractive. You use only ONE machine and a thousand different faces to do it with. *Nothing* can be more economical and convenient.

THE MACHINE WITH 1,000 DIFFERENT FACES

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ADDRESS.....
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(Circle number 174 for more information)

information-education booklets—about 30 titles.

Services: Handles inquiries on: reliability of any company, organization, group; solicitations, advertising offers or claims; interprets advertising and selling standards, laws and regulations; development and administration of advertising standards in specific fields; investigates legitimate complaints on advertising and selling practices. All services are available both to corporations and to the general public without any charge.

Meetings: Local meetings throughout the country; at least one regional meeting in seven districts and one annual national conference.

Membership cost: Varies from about $35 annually upward, depending on gross sales, financial resources or number of employees.

(*Will send literature on request.*)

Association of Consulting Management Engineers, Inc.

347 Madison Ave., New York 17, MUrray Hill 6-7338

Philip W. Shay, *Executive Director*

Membership: 40 of the older, larger management consulting firms in North America.

Publications: *ACME Reporter*; How the Management Consulting Profession Serves Business Enterprise*; Directory of Membership and Services.**

Services: Library of published material on management consultation; research on various aspects of management consultation.

Meetings: Four regional or local mr ings annually.

Membership cost: $250 annually, p assessments.

(*Will send literature on request.*)

Car & Truck Renting & Leasing Association

209 S. LaSalle St., Chicago 4, FRanl 2-2854

Howard R. Smith, *Executive Secret*

Membership: 800 owners, presider executives, regional and local manag in 350 vehicle renting and leasing fir

Publications: *CATRALA Bulle* (monthly); *Alerts* (special notices state groups).

Services: Copies of pertinent repo forms, speeches.

Meetings: About six regional meetin 23 state meetings.

Controllers Institute of America

2 Park Ave., New York 16, MUrray H 5-0470

Paul Haase, *Managing Director*

Membership: 5,000 presidents, tre urers, controllers and other financ executives.

Publications: *The Controller** (mont ly); *Members' Bulletin* (monthly).

Services: Library and research

Meetings: Local or regional meetin in 53 cities.

Membership cost: $65 annually.

(*Will send literature on request.*)

A seminar on operational auditing drew more than 100 financial executiv

Direct Mail Advertising Association

3 E. 57th St., New York 22, MUrray Hill 8-7388

Robert F. DeLay, *President*

Membership: 2,500 manufacturers, insurance companies, financial institutes, suppliers, lettershops, printers, ad-

Common business problems can be discussed in a mass session like this.

vertising agencies, retail stores, publications, religious, educational and welfare organizations.

Publications: *Reporter of Direct Mail Advertising*;* (monthly) biweekly newsletter*; *Washington Bulletin.**

Services: Research*; library*; information service*; placement service.*

Meetings: National convention and some regional meetings.

Membership cost: $48 annually.

(Will send literature on request.)

Industrial Management Society

330 S. Wells St., Chicago 6, WEbster 9-4957

Robert J. Mayer, *Executive Manager*

Membership: 1,000 works managers, plant superintendents, industrial engineers, methods experts, time study men, production control personnel.

Publications: *Industrial Management** (monthly—pertinent articles in field, book reviews, etc.); *IMS Clinic Proceedings** (transcripts of all talks at annual Industrial Engineering and Management Clinic).

Services: Work simplification film rental library; research and discussion groups.

Meetings: Two meetings a year. Write for further details.

Membership cost: $15 annually.

(Will send literature on request.)

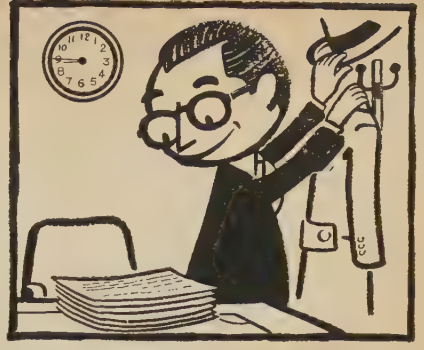
Institute of Management Sciences

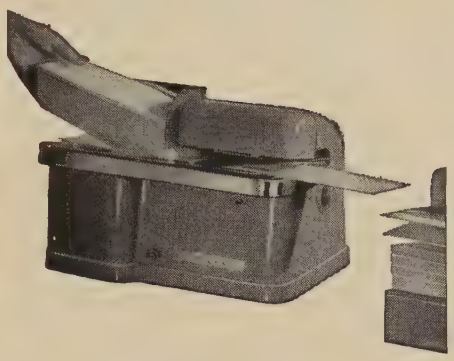
Post Office Box 273, Pleasantville, New York, WHite Plains 6-2500, Ext. 125.

Harold H. Cauvet, *Executive Director*

Membership: 2,800 managers, scien-

Sales Manager sees reports earlier!





Big deal in Des Moines? Prospect peeved in Pittsburgh? The sooner your sales manager gets his call reports, the sooner he can take action. A time-saving MailOpener provides this benefit.

- A MailOpener snips a hairline edge off an envelope instantly, without damaging the contents. It handles envelopes of any size, weight and stock. There are three models, hand and electric.
- A MailOpener helps all departments by speeding up the delivery of incoming mail. It is a worthwhile time saver even in the smallest office. Call the nearest Pitney-Bowes office for a demonstration in your office—no obligation. Or write for free illustrated booklet.

FREE: *Handy desk or wall chart of postal rates, with parcel post map and zone finder.*

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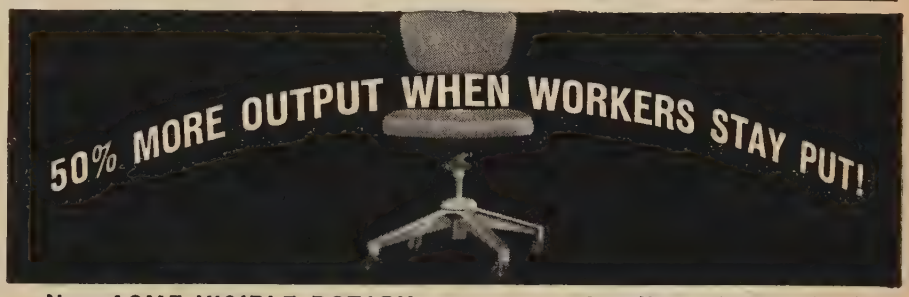
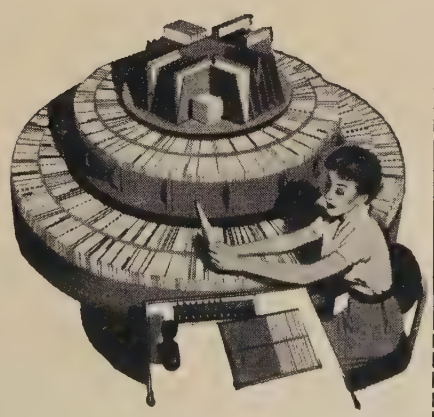
. . . originator of the postage meter . . .
139 offices in U.S. and Canada.

Plan To See The Business Equipment Exposition, Los Angeles Memorial Sports Arena, November 1, 2, 3, 4, 1960
(Circle number 154 for more information)



New ACME VISIBLE ROTARY cuts record handling time in half!



A touch of a button spins data to user at electronic speed! Look at any point in your operation where record or data files are used. You're apt to see workers spending a third to half their time shuttling between desks and cabinets, reaching, stooping, drawer pulling. **New Acme Rotaries end this waste motion completely!** At desks around a smartly modern Rotary, 1, 6, 12 users or more have instant access to as many as 250,000 records. To see how Rotaries save time, money, and up to 50% in floor space, SEND COUPON TODAY.

ACME VISIBLE

Acme Visible Records, Inc., 1210 W. Allview Dr., Crozet, Va.
Please send free report on the "Revolution in Record Handling" . . . showing many types and sizes of power and manual Rotaries.

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(Circle number 100 for more information)

MAGLINER MOBIL-DOCK

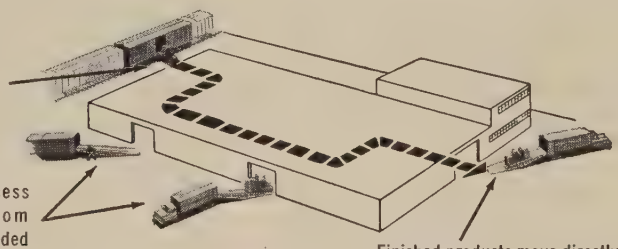
GROUND-LEVEL LOADING SYSTEM

How much could *your* company save if you could spot incoming materials *right where they're needed* . . . and ship out finished products *right off the line?*

Wishful thinking? Not with a Mobil-Dock System, the loading dock that goes where you need it, when you need it—*lets you ship and receive at any point in your plant.* No load shuttling or rehandling, no dock pile-ups! Loads are handled *once*, at *one* cost. And you can re-layout production areas, departments, or the entire plant at any time because with Magliner Mobil-Docks you can relocate major load-handling points at any time! This flexible, ground-level loading system fits an infinite variety of plant and warehouse layouts, brings major cost-savings within easy reach of every company—large or small.

Lower your cost of doing business—investigate a Magliner Mobil-Dock System for your company today.

In this Mobil-Dock application, materials are unloaded from railcars near start of assembly.



Here, additional in-process parts are unloaded from trucks where they're needed for assembly.

Finished products move directly from end of assembly line into carriers.

MAGLINER MAGNESIUM MOBILE LOADING RAMP: Basis of the Mobil-Dock System. A loading dock on wheels . . . ruggedly constructed to handle loads up to 16,000 lbs., more if you need it. Simple hydraulic height adjustment to truck or railcar floor. Non-slip, all-weather grating surface.

Write Today for Special Engineering Bulletin MD-212.

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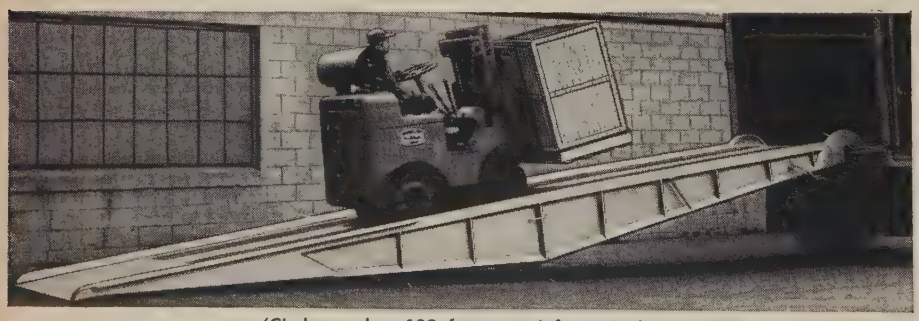

(Circle number 139 for more information)

Meeting on international management had worldwide representation.

tists, students, mathematicians, and operations researchers.

Publications: *Management Science** (quarterly); *Management Technology** (monograph series on management applications).

Services: Meetings; gatherings of individuals interested in specific subjects; annual international meeting (plus regional or national meetings)*; reports of research*; bulletin on topics of interest (issued five times a year).

Meetings: About 20 regional meetings (including Paris and Tokyo).

Membership cost: $10 in U.S. and Canada; $5 elsewhere and to students, and Armed Forces members.

(Will send literature on request.)

International Council of Industrial Editors

2108 Braewick Circle, Akron 13, Ohio, TEmple 6-3255

Mrs. Geraldine T. Keating, *Manager, Central Office*

Membership: 3,200 editors of publications issued by business or industrial enterprises.

Publications: *Reporting** (monthly); *Communication in Action* (monthly newsletter).

Services: Reference library; placement; directory of services and materials*; idea files; annual evaluation and awards program*; annual conference and regional conference*; special mailings on subjects helpful to industrial editors.

Meetings: Monthly meetings of 62 associations located in major cities of the world.

Membership cost: $25 annually for membership-at-large; dues vary for membership through affiliated associations (average $20-$25 annually).

(Will send literature on request.)

National Associated Businessmen, Inc.

1725 K St., N.W., Washington 6, D. C., FEderal 7-8950

Elton Kile, *President*

Membership: 800 corporations, firms and individuals in all lines of business working to get government out of competitive business activities.

Publications: Occasional folders, bulletins and newsletters.

Services: Research.

Meetings: None.

Membership cost: No stated amount, but a $50 annual contribution is necessary for voting membership.
(Will send literature on request.)

National Association of Accountants

505 Park Ave., New York 22, PLaza 9-3444

Arthur B. Gunnarson, *Secretary*

Membership: 47,000 accounting executives in 60 countries.

Publications: *NAA Bulletin-Section I* (monthly); *NAA Bulletin-Section II* (monthly); *NAA Conference Proceedings* (three issues a year).

Services: Library service, employment counseling, discussion seminars.

Meetings: Local or regional meetings in 11 cities.

Membership cost: $20 annually; $10 entry fee.
(Will send literature on request.)

National Association of Credit Management

44 E. 23rd St., New York 10, ORegon 4-5100

Allen S. Jeffrey, *Executive Vice President*

Membership: 35,400 presidents, owners, partners, vice presidents, treasurers, corporate secretaries, general managers, credit and office managers, controllers, auditors, accountants, and various department heads.

Publications: *Credit and Financial Management* (monthly); *Credit Manual of Commercial Laws; Credit Management Handbook* (reference book on every phase of credit); monthly business letter; *Standardized forms.* (No publications usually available to non-members; however, most are obtainable for special purposes.)

Services: Meetings and conventions; personal advisory services; debtor-creditor arbitrations; special investigations; credit interchange; credit groups; collection and adjustment service; foreign credit interchange bureau; legislative department; fraud prevention department. (These services not usually available to non-members; most are obtainable for special purposes.)

Meetings: 146 regional or local meetings. Additional ones for special purposes and conventions.

Membership cost: Membership dues vary; set by local affiliates.
(Will send literature on request.)

National Association of Manufacturers

2 E. 48th St., New York 17, MUrray Hill 8-4200

Charles R. Sligh, Jr., *Executive Vice President*

Membership: 20,000 manufacturing concerns.

continued on following page

MARSH ELECTRIC TAPE MACHINES

...cut carton-sealing costs automatically!

You dial length of gummed tape and DIAL-TAPER does the rest ... measures tape, moistens it with warm water and cuts it off clean. Everything is automatic!

Users report 50% saving in tape and time, plus stronger, neater packages. Used by U.S. Government, General Motors, General Electric, Armour, Swift, DuPont, RCA, Westinghouse, Standard Oil, Continental Can, Sears Roebuck, Marshall Field ... and 12,000 other shippers.

FOR REGULAR KRAFT GUMMED TAPE, 1", 2", 2½" and 3" WIDTHS; REINFORCED OR FILAMENT INSERTED TAPE

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MARSH

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Pin to your letterhead, with your name and mail for free copy of 24-page booklet M-60-T.

FREE BOOKLET M-60-T

NAME_____

TITLE_____

(Circle number 141 for more information)

Bakery toasts COTTON* as big aid to sanitation

Cotton toweling supplied to Lewis Brothers Bakeries by Selmier Peerless Towel and Linen Service Co., Carbondale, Illinois.

● Starting their business in a small log building 35 years ago, producing 75 loaves of bread per day, the Lewis Brothers now own one of the most modern bakeries in the industry. Their present output: 18,000,000 loaves of "Bunny Bread" per year.

In their main plant in Anna, Illinois, where all the baking is done, some 200 employees use cotton toweling exclusively. The reasons: The same as so many other large and small companies. Cotton, they feel, is best for sanitation. It eliminates litter and fire hazard . . . eases the burden of housekeeping . . . is easier to service . . . and in many cases, saves valuable dollars for users.

Why not find out how you can save, and have cleaner, neater washrooms in the bargain. For complete information, write for free booklet to Fairfax, Dept. R-10, 111 West 40th Street, New York 19, N. Y.

Here's How Linen Supply Works . . .

You buy nothing! Your linen supply dealer furnishes everything at low service cost—cabinets, pickup and delivery, automatic supply of freshly laundered towels and uniforms. Quantities can be increased or decreased on short notice. Just look up LINEN SUPPLY or TOWEL SUPPLY in your classified telephone book.

Clean Cotton Towels . . .

Sure Sign of Good Management

Fairfax Towels WEST POINT TEXTILES

WELLINGTON SEARS COMPANY, 111 WEST 40TH STREET, NEW YORK 18, N.Y.

(Circle number 177 for more information)

Publications: *NAM News** (wee newspaper for NAM members); *F gram Notes** (published six times nually for women's clubs); *Industr Press Service** (biweekly clipsheet weekly newspapers); *Service Company Publications** (monthly riodical for industrial editors).

Services: Law department memos gi members analysis of legislation affe ing industry; NAM presents testimo at congressional hearings giving vie points of industry on national issue

Meetings: Information available on quest.

Membership cost: Minimum $1 sliding scale based on net worth.

(Will send literature on request.)

National Association of Purchasing Agents

11 Park Place, New York 7, COrtlan 7-3677

G. W. Howard Ahl, *Executive Secr tary-Treasurer*

Membership: 17,500 purchasing ma agers, purchasing agents or directo vice presidents-purchasing, assista purchasing agents, buyers.

Publication: *Bulletin of the Nation Association of Purchasing Age* (weekly).

Services: Booklets and visual aids purchasing policies and procedure commodity and market data; econom information; sources of supply; ne and substitute materials; etc.

Meetings: 95 meetings in citi throughout the country.

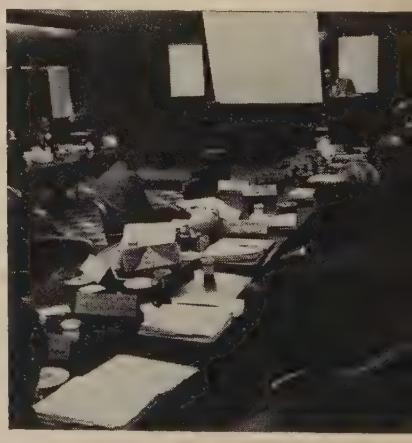
Membership cost: National membe ship—$18 annually. Local associati membership dues vary.

(For information, refer to affiliated sociation near you. Membership in n tional is only through a local associ tion.)

National Association of Suggestion Systems

25 E. Jackson Blvd., Room 1601, C cago 4, WAbash 2-8239

Mrs. Virginia Sadlon, *Office Manag Central Office*



Classroom courses help keep executive up to date on his j

Membership: 1,250 suggestion system administrators.

Publications: A variety of publications dealing with ways to set up suggestion systems.*

Services: Regional conferences; annual conventions; library and film service.

Meetings: 15 local or regional meetings.

Membership cost: Full membership—$25 entry fee and $50 annual dues. Associate membership or corporate membership—$15 annual dues (contingent upon full membership held by parent company).

(Will send literature on request.)

National Better Business Bureau, Inc.

912 Chrysler Building, New York 17, OXford 7-9494

Kenneth B. Willson, *President*

Membership: 2,175 national advertisers, advertising agencies, media, trade associations, direct selling companies, Chambers of Commerce.

Publication: *Do's & Don'ts in Advertising Copy* (supplemented and revised monthly).

Services: Counsel on propriety of proposed advertising copy claims; investigation and correction of unfair competitive advertising or selling practices; reports on philanthropic and other organizations needing financial support from business; informational and reporting facilities.

Meetings: None.

Membership cost: $100—minimum to $5,000—maximum, annually.

(Will send literature on request.)

National Council of Industrial Management Clubs

291 Broadway, New York 7, DIgby 9-0700

William F. Meyer, *Executive Secretary*

Membership: 236 industrial management clubs with 33,046 line and staff management men, predominantly foremen.

Publication: *IMC Bulletin* (five times a year).

Services: Educational manuals*; general manuals* (designed to help in specific problem areas); public relations aids; leaflets and brochures.

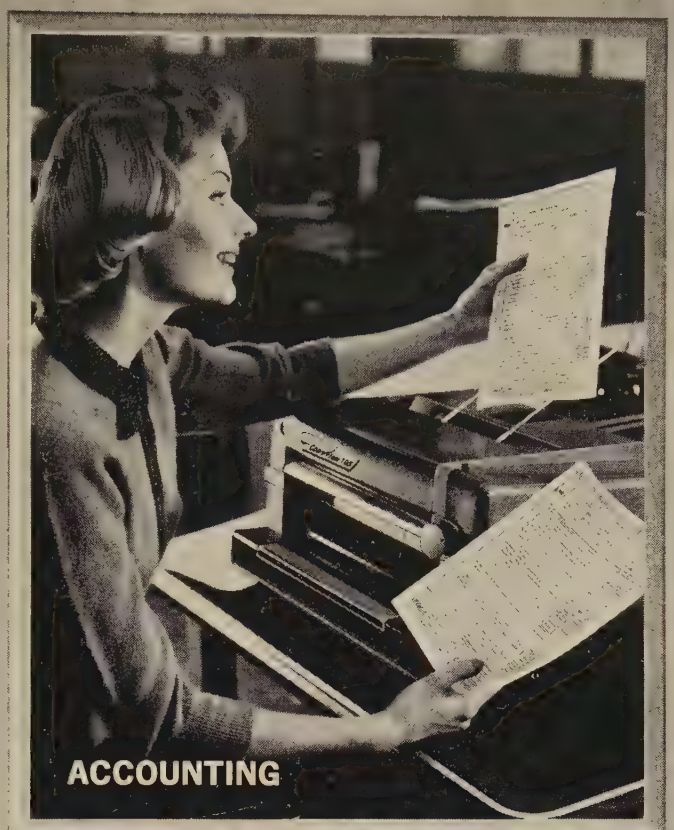
Meetings: 236 club meetings across the country.

Membership cost: Club membership—50 cents annually for individual members. Minimum of $50 per club; maximum of $400 per club.

National Machine Accountants Association

1750 W. Central Rd., Mt. Prospect, Ill., CLearbrook 9-4255

continued on following page



Now! *Any* accounting firm or department can eliminate the big typing load that is a costly, time-taking headache during tax season. With Bruning's remarkable new Copyflex Model 105 copying machine—priced no higher than a standard typewriter—you can make sharp, low-cost copies of tax returns and supporting schedules directly from government and state approved translucent forms. Accountants fill in the forms (printed on one side only) with pencil, ink, or typewriter. Copyflex reproduces all necessary copies quickly and easily at a cost of only 1¢ each for materials for letter size. And any Copyflex copy is acceptable for filing. You save many hundreds of dollars in typing cost, get tax returns and schedules out days to weeks earlier. You just can't afford not to investigate by mailing the coupon below.

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Charles Bruning Company, Inc., Dept. 10-G 1800 Central Rd., Mt. Prospect, Ill.
Offices in Principal U.S. Cities • In Canada: 103 Church Street, Toronto 1, Ontario

Please send me information on your low-cost Copyflex Model 105 for tax returns and accounting.

Name_____ Title_____

Company_____

Address_____

City_____ County_____ State_____

(Circle number 108 for more information)

A new word, which means more than automation, for it is the custom-fitted application of today's finest automation equipment to your particular needs...

This announcement is a culmination of Friden's years in integrated data processing. Friden's assumption of responsibility for the most important phase of automation—its practical application.

The first step to PractiMation is a critical analysis of your office. Second, an outline of objectives for increasing its efficiency (without personnel changes). Then, consult your Friden man. He is an expert, and has solved a good many problems like yours. His help can be invaluable.

Next, you need equipment that can be used by your present employees without special training; equipment which is sanely priced, easy to install. And, above all, equipment which is expansible with your business.

Here are some good examples:

A. Friden SBT Calculator—the famous "Thinking Machine of American Business." Touch-one-key simplicity. Performs more steps in figure-work without operator decisions than any other calculating machine ever developed.

B. Friden COMPUTYPER® (Model CTS)—produces a complete invoice in one operation with virtually no operator intervention. Reads alpha-numeric data from tape, edge-punched cards, or tab cards; accepts variable data through typewriter keyboard. Machine also punches selected data in tape or cards for statistical reports. The Computyper and any good typist make up an entire billing department.

C. Friden ADD-PUNCH® (Model APT)—A Data Processing machine, the APT produces a printed tape, and a punched tape for subsequent processing.

These are just three. Friden's full line of adding machines, calculators, accounting machines, mail room equipment, and "Tape Talk" IDP equipment can fully automate your office. Call your Friden man today, or write directly to Friden, Inc.

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Friden Creates A New World For Business ®

Friden

FRIDEN, INC., SAN LEANDRO, CALIFORNIA • SALES, INSTRUCTION AND SERVICE THROUGHOUT U.S. AND WORLD.

(Circle number 120 for more information)

R. Calvin Elliott, *Executive Directo*

Membership: 14,000 executives in d processing fields.

Publications: *Journal of Machine A counting; Data Processing Book.*

Services: Library, research, sponso university courses in data processin

Meetings: Regional meetings in sev cities.

Membership cost: Varies, dependi on chapter.

(Will send literature on request.)

National Noise Abatement Council

51 E. 42 St., New York 17, MUrra Hill 2-4580

L. J. Buttolph, *Executive Secretary*

Membership: 100 acoustical consul ants and makers of acoustical materia and instruments.

Publication: *Noise Abatement D gest.**

Services: Reprints of noise article awards for achievement in noise abate ment.

Membership cost: Subscribing—$25 annually; Associate—$100; Supportin —$25.

(Will send literature on request.)

National Office Management Association

1931 Old York Rd., Willow Grove, Pa OLdfield 9-4300

W. T. Cavanaugh, *Executive Directo*

Membership: 17,699 office manage and assistants, controllers, auditors.

Publications: *Office Execu tive** (monthly), *Bibliography f Office Management** (annual), *Sala Survey** (annual), *Technical Quarte ly.**

Services: Educational programs o various office management sphere library and research service.

Meetings: Local or regional meetin in 176 cities in the United States an Canada.

Membership cost: Company dues—$7 plus $10 entry fee; individual dues $30 plus $10 entry fee.

(Will send literature on request.)

National Sales Executives—NSE, International

630 Third Ave., New York 17, YUk 6-9300

S. L. Goldsmith, Jr., *Executive Dire tor*

Membership: 30,000 marketing exec tives.

Publication: *Salesweek** (weekly).

Services: Publications service*; cl services; member inquiry service (sa problems); youth education servic executive education service; salesme workshop*; international member se

ce; graduate school of sales management and marketing* (at Syracuse University); field sales management institute.*

Meetings: Local or regional meetings in 185 U. S. or Canadian cities. Overseas meetings in approximately 46 cities.

Membership cost: National membership—$15 annually. Local club dues vary.

(Will send literature on request.)

National Society for Business Budgeting

727 Floral Ave., Terrace Park, Ohio, TErrace 1-2252 (Cincinnati)

Melvin C. Aichholz, *Administrative Secretary*

Membership: 1,450 budget directors and controllers.

Publication: *Business Budgeting magazine** (bimonthly).

Services: Meetings at which budget policies and techniques are discussed; reprints of articles from *Business Budgeting.**

Meetings: Chapter meetings in 45 cities.

Membership cost: National dues—$20 annually; chapter dues additional.

(Will send literature on request.)

Profit Sharing Research Foundation

1718 Sherman, Evanston, Ill., GReenleaf 5-8806

Rear Admiral A. C. Burrows (USN Retired), *President*

Membership: Has no members as such.

Publications: Many books and booklets dealing with profit sharing designed to guide companies formulating or administering profit sharing plans.*

Services: Information about profit sharing plans.*

Meetings: None.

(Will send literature on request.)

Society for Advancement of Management, Inc.

74 Fifth Ave., New York 11, CHelsea 2-3505

Walter Mitchell, Jr., *Associate Executive Director*

Membership: 15,800 executives, administrators and professionals in institutions or colleges.

Publication: *Advanced Management** (monthly).

Services: Research projects (participation open only to interested members); research reports.

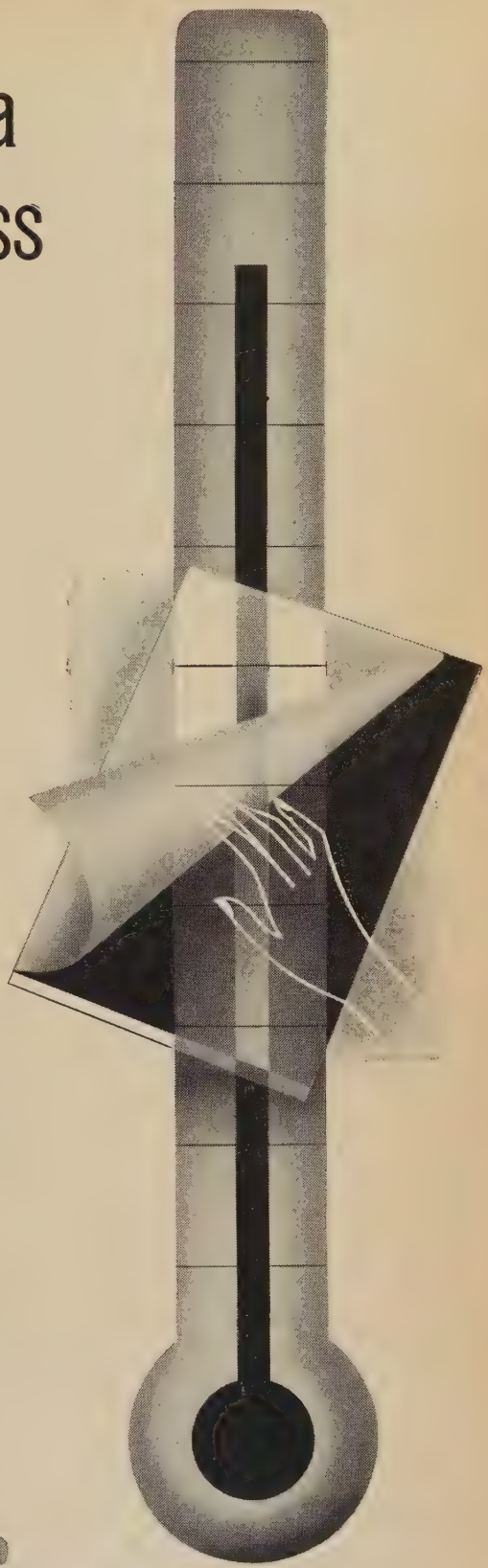
Meetings: 80 local or regional meetings.

Membership cost: Varies widely depending on position of applicant.

(Will send literature on request.) ■

WHERE DO YOUR SPIRIT MASTERS RANK IN THE

Columbia Cleanliness Index



The Cleanliness Index dramatically demonstrates the wide gap in the cleanliness of spirit masters—ranging from the grime and aggravation of ordinary uncoated purple masters to the immaculate performance of Columbia's supercoated, super clean Marathon Blue Ready-Masters.

It could be quite a revelation to find out just how clean your spirit masters really are . . . not only in the preparation, but in the handling and duplicating as well. It could also result in quite a saving in time and money, to say nothing of the improvement of the quality of your duplicating.

Columbia salesmen are anxious to demonstrate these differences at no cost or obligation to you. They'll also be happy to advise the correct master for a job that's particularly troublesome to you. Write for a free demonstration of the Cleanliness Index. Ready-Master Division, Columbia Ribbon & Carbon Mfg. Co., Inc., 10210 Herb Hill Road, Glen Cove, N. Y.

Columbia Research and Development, backed by more than a half century of pioneering leadership, constantly seeks out the ultimate in spirit master cleanliness. The Marathon Blue Ready-Master is the latest in a long line of key developments in the cause of cleanliness.

MARATHON BLUE READY-MASTERS

Columbia®

Columbia Ribbon & Carbon Mfg. Co., Inc., Glen Cove, N. Y.

Columbia Ribbon & Carbon Pacific Inc., Duarte, Calif.

(Circle number 115 for more information)

A better way to run a business

Here's a way to

SPEED CUSTOMER SERVICE WITH SHORT WAVE RADIO

When driver-salesmen had to call in repeatedly to pick up orders at Mocha Coffee Co., delays in delivery were unavoidable.

Now that short wave radio has been installed in salesmen's trucks, orders are turned over to route men as fast as they come into Atlanta headquarters.

Service is speedier and customers are happier. Total cost for the streamlined system is $1 a day for each radio installation.

Besides faster customer service, President Jack Dinos reports, the sales manager can contact any salesman at the flick of a switch.

Here's a way to

HAVE YOUR TRADEMARK CIRCLE THE GLOBE

This is an idea that can be adopted by any company that owns, leases or operates a tank car or other rail fleet. It's one that can pay off richly in goodwill dividends —at very little cost.

The Diamond Alkali trademark has penetrated every corner of the free world, as well as all states, thanks to an idea that is aimed at model railway hobbyists.

It all started as a gesture to employees and stockholders who were also model railway enthusiasts. Free decals, faithful replicas of full size car markings, were offered to them featuring the Diamond logotype for HO-gauge tank cars.

To dispose of what was left after employee orders were filled, decals were offered free to readers of *Railroad Model Craftsmen, Model Railroader* and *Model Trains.*

Requests for Diamond decals poured into Cleveland headquarters from all over the globe—Greenland, South Africa, Japan—almost every country and every state.

Tank cars decorated with this chemical producer's emblem will be rolling on model railroads for many years to come. About 4,000 sets have been distributed to model railroaders and requests continue to come in—building widespread and continued goodwill for Diamond Alkali.

Hobbyists can mark model tank cars like real thing with Diamond decals.

Here's a way to

BOOST QUALITY AND OUTPUT OF PRECISION WORK

Producing delicate components for missiles and aircraft created problems at Hickok Electric Instrument Co.

Even wearing jeweler's magnifying eyepieces, workers had trouble spotting defects. Many parts failed to pass rigid quality tests despite careful inspection during assembly.

This was before Hickok installed what it calls the "White Room." Here, carefully controlled environment has upped quality level almost 100%. Output has also jumped 50% while production costs have dropped 20%, Production Supervisor, Paul P. Radecky reports.

A luminous General Electric ceiling pours 300 diffused footcandles over the desk-like assembly line. Special magnifiers, required for working under the former 100 footcandles, are now needed only for the final visual check.

The room is pressurized at a constant level of four pounds per square inch higher than surrounding areas. This keeps dust from entering the electronically cleaned atmosphere.

Workers wear special dustfree

let SoundScriber record your next conference!

Communications (board meetings, executive conferences, labor-management negotiations) are the very nerve center of business. Where each word is important, a completely accurate record is essential.

A new recording-reproducing system, called the **Reporter**, has recently been perfected by SoundScriber's engineers. It operates silently and unattended throughout the entire conference, and records on duPont Mylar tape by means of a patented, tamperproof transverse recording process. In addition, this unique conference recording system provides **instant back-spacing, speaker playback** and **transcription facilities.**

This system has been tested and proved in American business and industry. Let a SoundScriber Communications Consultant prove it to you by recording your next important conference . . . no obligation, of course. Interested? . . . mail coupon below for free brochure.

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6 Middletown Ave., North Haven, Conn.

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City_____ State_____

(Circle number 181 for more information)

arments and use magnetic brushes nd floor mats before entering.

Temperature is held at 75° F. nd humidity at a constant 45%.

Hickok's White Room has proved o successful at its Cleveland headuarters that it is installing a simiar 6,000 square foot facility at its Greenwood, Miss. plant.

Here's a way to
TRIGGER SALES ACTION WITH COMPANY PUBLICITY

Publicity about your company, ay public relations experts, can do louble duty if you *merchandise* it.

For example, experts advise companies not just to bury their press clippings in a scrapbook, but rather o reprint them and send them out o customers and prospects.

Apply a little imagination to whatever publicity your company has received recently and you may come up with the makings of a powerful promotion campaign.

For example, General Binding Corp. was the subject of a recent MANAGEMENT METHODS cover story titled, "How to make a business grow." When the article appeared, General Binding's management moved fast to use this company publicity, not just to pat itself on the back, but as the basis of a special sales campaign. Reprints of the article were rushed to salesmen, together with an announcement of a 43-day "Dyna-Sell" program, offering discounts to customers "in recognition of the tribute the company had received from a national business magazine." Discount certificates were printed, playing up the tie-in with the magazine article.

General Binding salesmen were instructed to show reprints of the article to their customers and prospects, and to use this as an opening gambit in announcing the discounts offered under the program.

Says a spokesman for the company: "Results were tremendous—roughly 55% sales increase.

Here's a way to
MAKE THE MOST OF AUDIO-VISUAL AIDS

Most progressive firms make use of audio-visual tools to some degree. s your firm utilizing these articuate aids to the fullest extent?

These thumbnail cases, taken

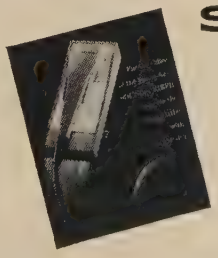
SoundScriber's new SATELLITE SYSTEM

Now, all the advantages of modern dictation and you need **never** touch a dictating machine, bother with indexing strips, change belts or discs. All you need on your desk is the new **Satellite** . . . just half the size of your telephone. You simply pick up the "mike" and talk . . . push buttons and **"Magic Memory"** do the rest.

Satellite relieves you of business pressures . . . dictate correspondence, record thoughts while they're fresh in mind . . . just speak them and forget them. Work gets done faster . . . more accurately . . . more efficiently.

You can have your own Private Satellite, or you can equip your offices with a complete Satellite System for only **$161.00** equipment cost per dictator. Best of all, machine manipulation is gone forever.

Mail coupon for free brochure, shown below, describing today's most advanced dictating systems.



SOUNDSCRIBER®

DICTATING SYSTEMS FOR THE OFFICE OF THE SPACE AGE

The SOUNDSCRIBER Corp., Dept. MMS-10
6 Middletown Ave., North Haven, Conn.

Name_____
Company_____
Address_____
City_____ State_____

(Circle number 188 for more information)

Now! Get the compact Smith-Corona Electra 12 — the new, full-featured electric that costs you less than a manual office typewriter!

Here's the dollars-and-cents proof: A regular office electric costs $471.70*. The Electra 12: just $190.27. You save $281.43, or almost 60 per cent (federal excise tax included).

A manual office typewriter lists at $238.50. The Electra 12 saves you $48.23, or 20 per cent (tax included).

Better yet, *the Electra 12 has all the major features of the expensive electrics:* wide-range touch selector, impression control, full business-size carriage, automatic repeat action on space bar and hyphen-underline key, plus all the speed and ease electric typing's famous for.

The typing itself is clean, sharp . . . just like a *printed* page. And you can get up to 12 clear carbons.

All this is possible because the Electra 12 is *compact.* Yet it has all the quality and rugged dependability you need to handle heavy work loads in your office, day after day.

Why not call your Smith-Corona representative for a demonstration, or simply tear out the enclosed postcard and mail today.

Free 16-page "Guide to Increasing Office Efficiency." The compact, complete office guide that can help you have a smoother-running office in 7 days or less. For a free copy, tear out the enclosed postcard and mail today.

SCM SMITH-CORONA
DIVISION OF SMITH-CORONA MARCHANT INC

n the files of the National Audio-
ıal Association, may suggest
e additional ways to put visual
sound equipment to work for
r business.

ne appliance manufacturer sup-
s each salesman with a portable
e recorder. Salesmen record in-
iews with both satisfied and dis-
sfied customers. These verbatim
orts are analyzed by the home
ce. Tapes are then prepared and
led to all salesmen giving them
selling ideas and service point-
and other helpful data culled
n the recorded interviews.

n auto part maker prepared a
e series on installation and use
ts product. In one year, salesmen
wed the slides at 2,000 meet-
s. Substantial sales resulted from
100,000 auto repairmen who
wed the slides.

Vhen a new product is released
nidyear, a manufacturer of com-
nications equipment finds it im-
ctical to make personal contact
h all salesmen. Instead, the com-
y prepares a kit of printed ma-
als for each district along with a
minute dramatized sales briefing
tape. Groups of salesmen hear
presentation, review the litera-
e and are ready to introduce the
duct. Result: time, travel and
ney are saved.

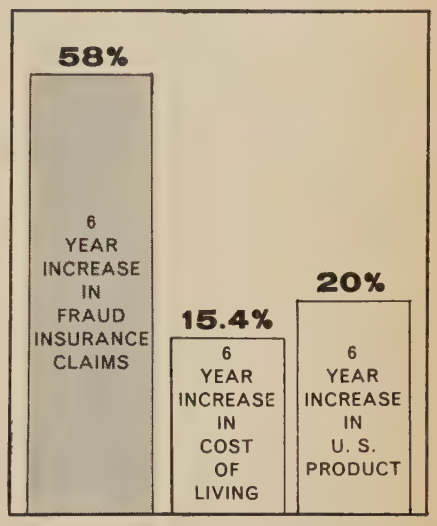
The training division of a com-
er corporation reports stepped
instruction with magnetic chalk-
rds. As parts diagrams and wir-
circuits are presented, magnet-
ked visuals are placed on the
rd. The instructor then connects
ts with colored chalk lines. At
er times, an overhead projector
ws transparencies of basic data
the board. Additional details are
led as the lesson progresses by
ans of magnet-backed cutouts.

A department store chain uses
rhead projectors in orienting
ses of new employees. Trainees,
h salesbooks in hand, learn
ckly through the clearly visual-
l directions projected on the
en by the personnel director.

A cabinet manufacturer had a
producer prepare a short, low-
lget sound film demonstrating
e of assembly of its product even
unskilled workers. Each sales-
n carries a suitcase projector for
wing by prospects. A high pro-
tion of viewers become custom-

Fraud Cost Increases Almost 4 Times As Fast As Cost Of Living

The cost of fraud is a very real expense of doing business. It is reflected in fraud insurance and bonding claims which went up 58% in the 1952-58 six-year span, according to figures compiled by the Surety Association of America. In the same period, the cost of living index rose 15.4% and the nation's productivity rose 20% according to Dept. of Commerce reports. And authorities tell us that another $2 Million will be embezzeled by sundown tomorow.



Almost all companies now follow procedures resulting in one employee automatically checking the work of another as he performs his regular work. This theoretically prevents fraud without collusion of two or more workers—yet embezzlements continue to occur and losses continue to increase. And almost all of them are *without collusion.* An increase in profit equal to that from 10% increase in sales could be enjoyed by the average business if these leaks could be plugged.

According to a recent survey by a prominent public accounting firm, 74% of total fraud losses take place in disbursement operations, 12% in diversions of inventories, and only 14% in cash receipts. Embezzlements of cash receipts occur more frequently, but are smaller in size. They are also usually detected at an earlier stage. This is because cash receipts are channeled through a small area that is policed by rigid controls. Disbursement transactions, on the contrary, whether of funds or merchandise, originate in many different departments, most of them outside of accounting and treasury.

The opportunities for fraud are multiplied by each one of these different areas of origination. That is why most disbursement frauds involve large, often staggering, amounts, continue for years without detection, and form the bulk of the total fraud loss.

Without collusion, disbursement frauds and diversions of inventory can only be concealed by the manipulation of paperwork. These transactions can only be made to appear legitimate by re-use of bona fide paperwork, forging fictitious paperwork, or both. CANCELING ALL PAPERWORK THAT HAS AUTHORIZED A DISBURSEMENT PLUS VALIDATING ORIGINAL DOCUMENTS SO AS TO MAKE FORGERY DIFFICULT WILL ENFORCE THE CONTROLS THAT GOOD SYSTEMS ARE INTENDED TO PROVIDE. That is why 77% of the 200 largest industrial concerns now follow this procedure.

Cummins-Chicago Corp. has a booklet which describes simple and inexpensive methods of preventing both unauthorized disbursements and invoiceless shipments, creating clerical savings at the same time. Write today for your complimentary copy of this guide to fraud prevention. Cummins-Chicago Corporation, 4740 North Ravenswood Avenue, Chicago 40, Illinois.

(Circle number 117 for more information)

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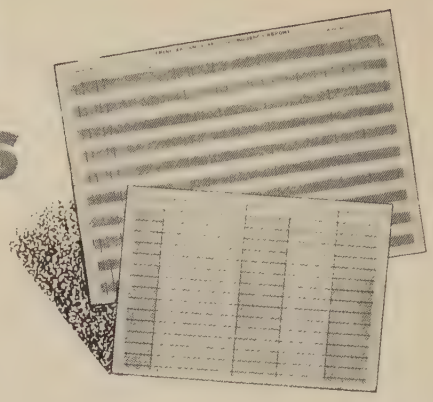

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When reports go to "The Boss", why not make them error-free, more readable, quick and easy to use for comparisons and figure analysis. Everyone will be pleased. Hano Lithographed Tabulating Forms with shaded vertical or horizontal columns are the answer. They are worth looking into right away.

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Offices, factories, stores, schools, housing, hospitals . . . there's a TELKEE System to fit every size and type of application. TELKEE solves every key problem, efficiently, inexpensively.

FREE—send today!

TEL KEE

The MOORE KEY CONTROL® System

P. O. Moore, Inc., Glen Riddle 60, Pa.
Send FREE TELKEE booklet

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FIRM_____

ADDRESS_____

CITY_____ZONE____STATE_____

(Circle number 145 for more information)

ers because the film dramatizes th economy and speed of product in stallation.

A midwest bank uses an opaqu projector in loan committee mee ings. Committee members can the review the facts simultaneously The bank reports a one-third sa ings of committee time.

Here's a way to

INCORPORATE YOUR PRODUC IN AN APPROPRIATE GIFT

Puzzled again about what to giv as a Christmas business gift? Wh not give your own product dresse up in a special setting?

That's what American Hardwar

Unique, not-for-sale gifts all use pro uct as integral part of design.

Corp. does with its otherwise stric ly utilitarian product—doorknobs

Each year its Kwikset Divisio dreams up a new way to incorpo rate standard residential hardwa in an appropriate holiday gift.

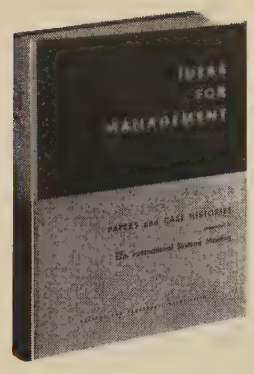
One year, a spun aluminu champagne bucket sported a hig styled doorknob on its lid.

Other years, gifts with ingenio use of knobs have ranged from de pen sets to cigarette lighters handsome wooden trays.

Ad Manager William Tell Thor as says there is much speculatio among Kwikset distributors a other company friends about wh twist the knob will take each yea

Although each gift bears a bui in reminder of the company pro uct, there are no commercial mar ings to mar its beauty or utility.

IDEAS



Here is a new book that talks your own language—the all-new, 1960 edi-
n of IDEAS FOR MANAGEMENT. This book is *alive* th ideas.

It spells out how you can save money—and make your mpany more profitable—with better methods, better sys-ms, better procedures. *The results are guaranteed.*

If within 10 days you haven't found at least one idea this book that can substantially cut costs or build ofits in your company, you are invited to put the book ck in its shipping container, return it—and owe nothing. This unqualified guarantee can be made because the 0 pages of IDEAS FOR MANAGEMENT are crammed th ideas that are known to work—because they have rked. The ideas in this book are tested and proved.

IDEAS FOR MANAGEMENT wasn't written by an ory tower author. This book was literally *lived* by dozens the best qualified practitioners in the field of manage-ent control. It sums up their experience. Here's how the ok came into being:

Each year the highly respected International Systems d Procedures Association holds an International Sys-ms Meeting attended by a thousand or more executives from all parts of the world. Leading management people head sessions and workshop discussions devoted to specific problems, and present case histories of results achieved through imaginative management.

A complete management conference

All this priceless material is recorded, carefully edited, organized, and published as IDEAS FOR MANAGEMENT. In essence, IDEAS FOR MANAGEMENT is a complete management conference, packaged as a high quality, cloth bound, 8½ x 11, 500-page, liberally illustrated book.

Thousands of copies of earlier editions of IDEAS FOR MANAGEMENT have been purchased by companies of all types and sizes. The all-new, 1960 edition, based on the 12th annual International Systems Meeting, promises to be in even greater demand.

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Management Publishing Corp., Rm. 10,
22 W. Putnam Ave., Greenwich, Conn.

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Bonus offer: *If payment accompanies your order, you will receive a free copy of the article, "Sharpen management with data processing," reprinted from Management Methods magazine.*

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Firm_____

Address_____

City_____ Zone____ State_____

☐ Bill me ☐ Bill my company

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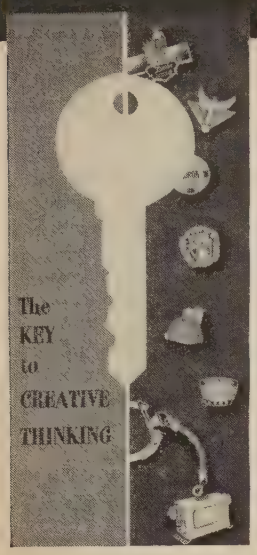

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Emblem Manufacturers Since 1861
14 Third Street, Providence, R. I.

(Circle number 179 for more information)

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Une Atmosphère Élégante

RESTAURANT
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Are you spending enough on R&D?

(Here's what other firms are doing)

What determines your future growth and profits? On strong factor is how much you spend on research and de velopment of new products. According to this new survey R&D expenditures for U. S. firms are up 10.7% over 1959 Use these facts as a yardstick to see if your firm is keep ing pace with the R&D expenditures in your industry

This trend is clear: U. S. firms spend more each year for development of new products and processes.

According to a nationwide survey just completed, some 400 corporations representative of U. S. industry will spend an average of 10.7% more for research and development in 1960 than they did in 1959.

Here's the question: Is your company spending enough on research and development to maintain a strong position in the tight competitive battle for new product supremacy?

The American Management Association questioned 402 companies representing 26 industry groups. Facts show that 66% increased their budgets for 1960, while 7% decreased their budgets and 27% reported no change.

Which industries made the biggest increases in their 1960 research budgets?

Electronics is one, with a reported increase of 16.8%.

Another even bigger increase—22%—comes in the miscellaneou machinery and parts industry.

Only two industries are signif cantly decreasing their budgets according to the survey. Minera and coal mining companies repor an average decrease of 11.8%, whil the publishing industry represent a 5.2% decrease.

3.7% of sales for R&D

How much of the sales dolla went toward research and develop ment last year? The survey show these 402 corporations spent 3.7% o sales for product development i 1959. Figures indicate that this pe centage is up substantially for 1960

Despite the increase in dollar spent for R&D, Dr. Philip Marvin AMA research and development di vision manager, says that growt companies today are trying to ge more for their product developmen dollar, rather than spend more do lars for product development.

"The aim," he said, "is more re

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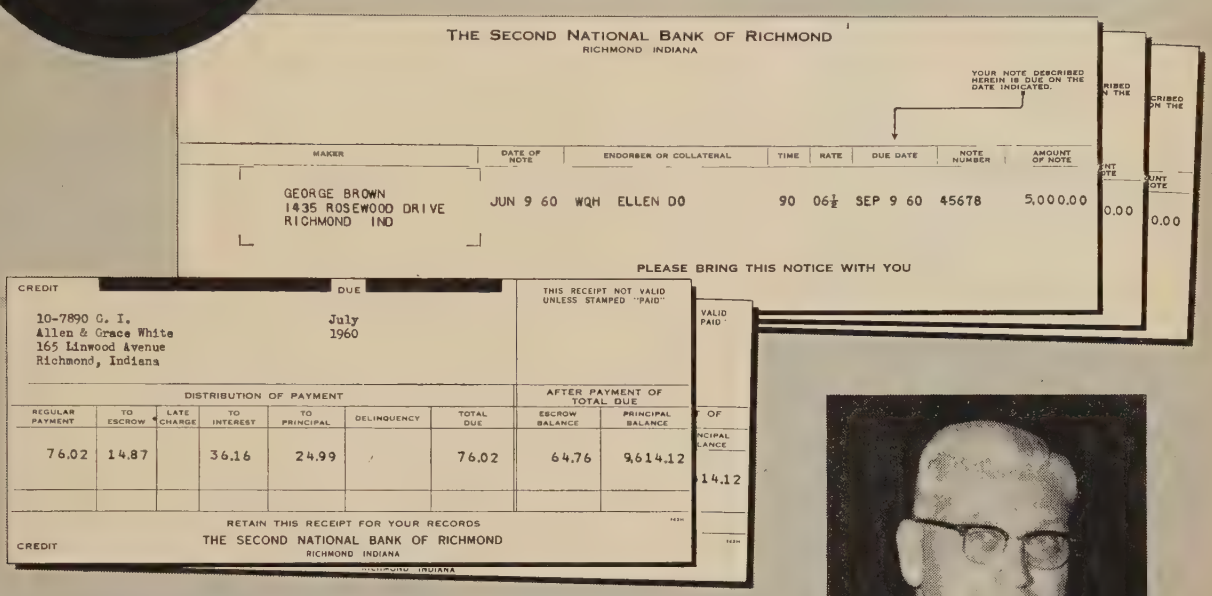
TRADE MARK

Established in 1872, The Second National Bank of Richmond is eastern Indiana's largest bank.



J. O. Parshall, President of The Second National Bank of Richmond.

"NCR PAPER repays its cost by saving time and effort"

—THE SECOND NATIONAL BANK OF RICHMOND, INDIANA

Ve began using NCR Paper (No Carbon Required) hen we installed a new accounting system for real ate mortgages and commercial loans.

"We find NCR Paper duplicate mortgage loan eipts save time for our customers and employees. also get a clear readable record of each payment d new loan balance.

"Moreover, in one posting operation, NCR per commercial note notices in triplicate produce ledger record, customer note notice, the register by and the maturity tickler.

"Although NCR Paper costs more than forms with carbons, the time savings and other advantages have a money value that more than offsets the extra cost. We estimate the increased efficiency and customer goodwill resulting from our use of NCR Paper saves us the entire cost of the paper every year."

J O Parshall

President, The Second National Bank of Richmond

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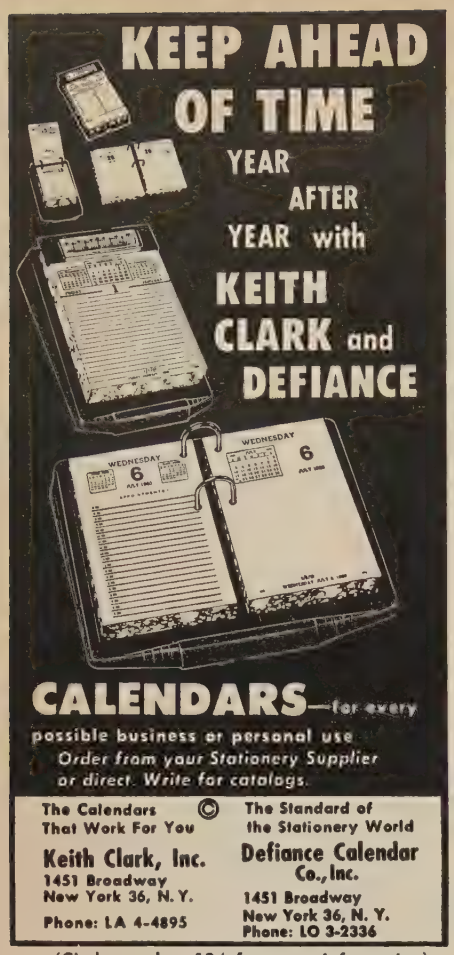
(Circle number 149 for more information)



(Circle number 134 for more information)

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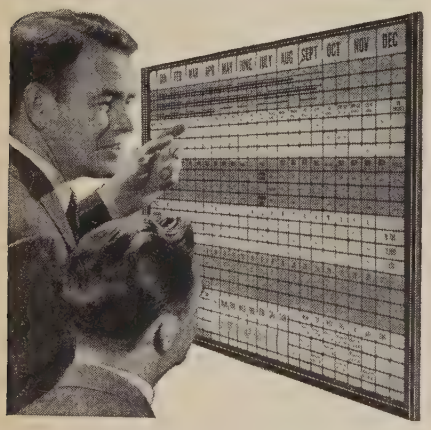

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GRAPHIC SYSTEMS

YANCEYVILLE NORTH CAROLINA

(Circle number 124 for more information)

sults for the money rather than more money for results."

Each year, product development costs increase. Dr. Marvin says that alert corporations are trying to offset this inevitable increase by eliminating wasteful management methods in development operations.

"Most companies don't know the actual cost of developing their new products. But this cost is a basic factor in making the most important decisions that managers must make —decisions about the future. This ignorance leads to waste," says Dr. Marvin.

According to Dr. Marvin, development programs are one of the greatest wastes of time, money a manpower today. Why? "Becau most corporations aren't organiz structurally to absorb and put to u new knowledge and new produ as rapidly as they are created."

Competition from tax supporte technology and the tendency anti-trust and patent policies to u dermine the entrenched position existing proprietary products mea that managers must get the mo from their R&D dollars. How? " there is any starting point in pla ning for growth, its focus lies in be ter management of technology—i turning ideas into dollars," says D Marvin. ■

1960 research budgets up over 1959

Industry Group	Companies Reporting	1960 budget compared with 1959 budget: Up	Same	Down	Average*	1959 Budget % of 1959 Sales
Aircraft	9	4	2	3	4.0%	2.9%
Chemicals	62	48	11	3	11.4	4.0
Construction machinery	4	2	1	1	—1.6	4.4
Electrical machinery	11	7	4		10.1	2.7
Electronics	46	31	15		16.8	7.7
Engines and turbines	3	2	1		11.0	1.8
Fabricated metal products	23	9	9	5	1.1	2.4
Food and beverages	19	14	5		13.1	1.7
Instruments and control equipment	40	29	10	1	14.0	6.1
Metalworking machinery	6	4	2		9.3	2.3
Mining minerals and coal	5		2	3	—11.8	2.4
Misc. machinery & parts	7	6	1		22.0	3.6
Misc. manufacturing	5	4	1		9.8	3.2
Nonferrous metals	7	3	3	1	7.4	2.1
Office machinery	10	8		2	11.3	4.2
Paper and paper products	11	8	2	1	9.6	1.2
Petroleum refining	13	11	2		8.3	1.0
Pharmaceuticals	12	10	1	1	11.0	5.7
Plastics and molded products	5	4	1		14.6	1.6
Printing and publishing	4	2	1	1	—5.2	2.1
Public utilities	3	1	1	1	14.3	.2
Rubber and rubber goods	9	5	3	1	10.8	2.3
Steel	7	4	3		5.7	1.6
Stone clay and glass	9	6	3		19.2	2.3
Textiles	6	6			8.3	2.1
Transportation equipment	3	1	2		2.7	1.1
Other	63	36	23	4	10.3	3.0
TOTALS	**402**	**265**	**109**	**28**	**Avg. 10.7%**	**Avg. 3.7%**

* These figures represent the average percent that R&D expenditures have risen (or dropped) in each of these industries.

Roytype sells over 300 different types of carbon paper and knows exactly which types are right for you

—we've got one carbon paper that never ever smudges, if you can believe it.

And of course you can, because this is the famous Roytronic Carbon Paper. It won't smudge . . . it won't curl! There's pure imported Carnauba wax in the ink formula that prevents "treeing," roller marks and smudges on fingers.

Roytronic's plastic backing keeps each sheet straight and flat, no matter what the temperature and humidity. And that's not all. Roytronic has itself an even *better* ink formula that insures perfect copies every time, time *after* time, because it's also much longer lasting.

Roytronic is packed in a special Carbon-Keeper Box . . . for a neat stow-away in the desk drawer.

It's *especially* suitable for electric typewriters—extra-careful typists. Be sure you ask your office-trained Roytype representative about Roytronic.

Let him help you stock up on the exact type of carbon paper to suit your needs—and the exact type of every other office supply, too. Your Roytype Representative's full stock—and full knowledge—can help you. Use it!

ROYTYPE® *A complete line of business supplies . . . expert help . . . and the fastest service, too.*

B

ROYAL® Royal McBee Corp., Port Chester, N.Y.

Gentlemen: Please have our Mr. Roytype bring me a free sample of Roytronic Carbon paper.

NAME: _____

COMPANY: _____

ADDRESS: _____

_____

(Circle number 161 for more information)

How to get an office with a view

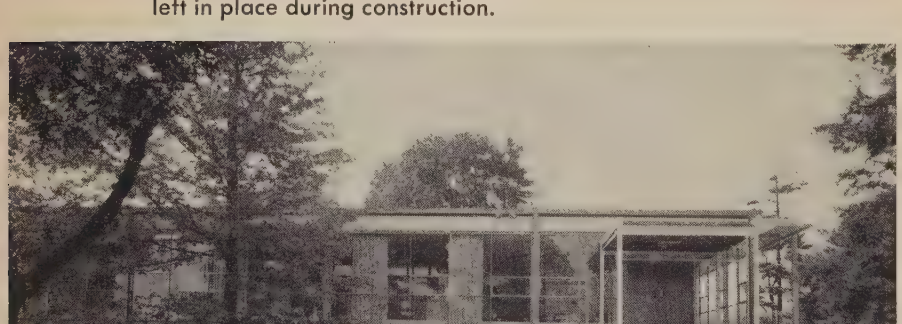
THE MAN
Wallace Shepardson
President

THE COMPANY
Chirurg and Cairns, Inc.
Chestnut Hill, Mass.

THE DESIGNER
Bruce-Babel Associates

THE ARCHITECT
Salsberg and LeBlanc

Designed to take full advantage of its landscaping, the Chirurg Building, new suburban headquarters of a Boston advertising agency, features glass walls on both floors. Where possible, trees were left in place during construction.



Every harassed city-based executive sooner or late wonders what it would be like to transplant his office to a lush coun tryside.

Oppressed by noise, fume, dir and traffic, he imagines a view ou his window of trees growing instea of another skyscraper going up.

Commonly the idea is quickly abandoned on the grounds that "i our business we have to stay righ here in the center of things."

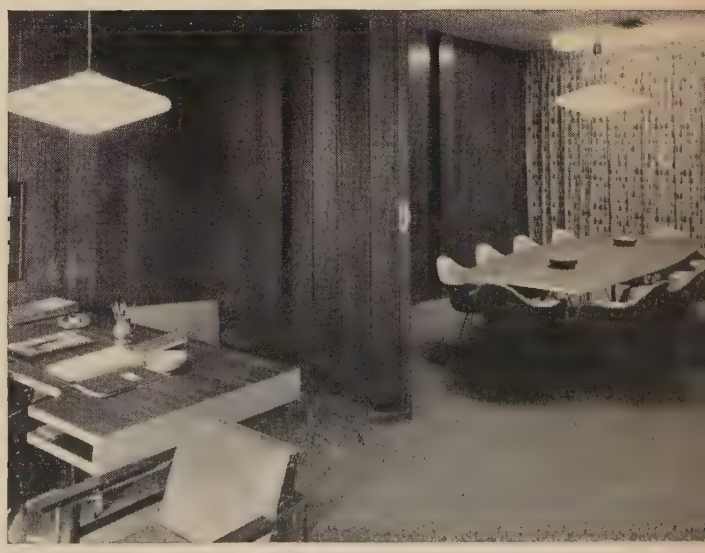
Evidence to the contrary is Chi rurg and Cairns, Inc., an ad agenc that moved its Boston office to sub urban Chestnut Hill. Says th agency's president, Wallace Shep ardson: "Being out of mid-city pre sents no serious problems. In fac we are closer to some of our client And we have all the parking spac we can use. The advantages of ou new location overshadow by far an possible disadvantages."

President Shepardson's moder office would do any Madison Ave nue office building proud. Yet th view through the glass wall behin his desk is of woodlands, not mor offices. The glass wall, insulate against heat and cold, provides a all-season advantage.

A paneled accordian door con nects the president's modern offic with an equally modern conferenc room.

Each of the 30 offices and room in the Chirurg Building is equippe and color styled to suit individu tastes. For example, James Thoma Chirurg, founder of the form Chirurg agency, has an office fe turing a large, boomerang shape desk, markedly different in dec from the office of President She ardson. ■

President Shepardson's office boasts a peaceful, country-like view through the glass wall behind his desk. Furniture is kept simple, with slim, straight lines to match the modern architecture of the building itself.



Extra size is given to the president's office by this adjoining conference room. The two rooms are easily separated, however, by an accordian door that matches the paneling of both the office and conference room. Background drape conceals a TV set, blackboard, display board, and movie screen.

don't be DECOYED

enjoy posture chair comfort by *Cramer*

Cramer Posture chairs not only offer better sitting comfort—but better posture while you work. Cramer Posture chairs adjust to fit anyone . . . perfectly, easily . . . whether a six-footer or the tiniest typist. Adjustments are made instantly with finger-tip controls. There's a perfect Cramer chair for every member of your office staff.

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(Circle number 183 for more information)

New Products

FOR THE MANAGER AND HIS STAFF

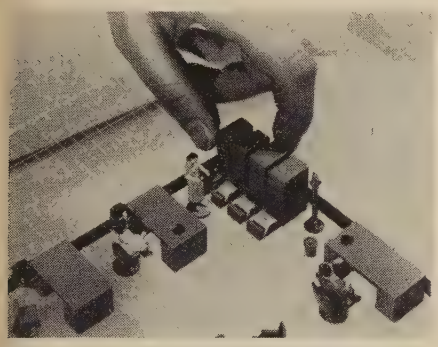
LAYOUT

3-D office planning kit takes guesswork out of layout

Efficient layouts can be expertly plotted with the aid of three dimensional models made by Visual Plant Layouts, Inc.

Office furniture and business machines, scaled one-quarter inch to one foot, are faithful replicas of those made by leading firms.

A complete kit with 120 items and plastic planning board for 3,000



Scaled models come individually or in kit form to suit your layout needs.

square feet of floor space costs $49.50. Individual 3-D facsimiles cover everything for an office from telephones to drinking fountains to coat trees—even clerks.

For a descriptive folder and complete price list on these visual layout aids, circle number 216 on the Reader Service Card.

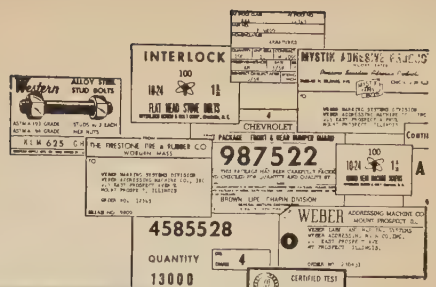
PAPERWORK

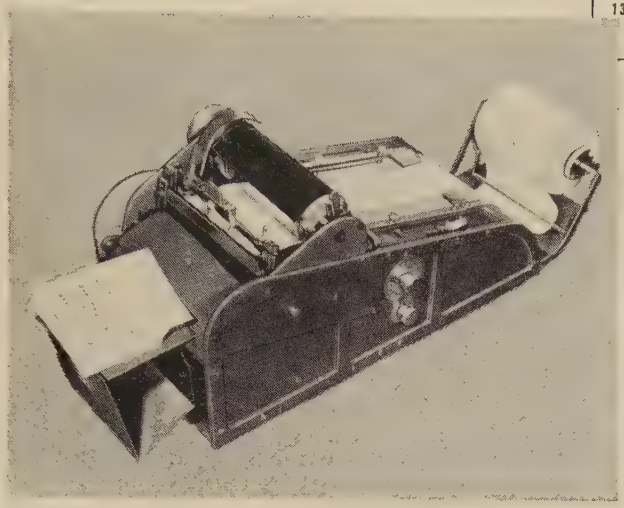
Speed data flow with conveyor

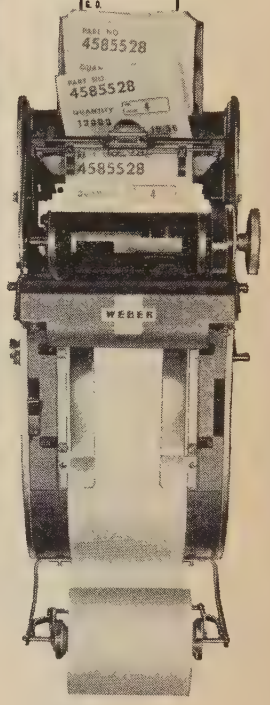
To eliminate paperwork pileups in your office, you might consider installation of a conveyor.

A. J. Bayer Co. has introduced a

STOP BUYING LABELS







Print your own

...on a Weber Label Printing Machine

- save hours and hours of typing
- eliminate label inventories
- cut your label costs up to 90%

Save expensive hours of typing individual forms and eliminate addressing errors. Eliminate high-cost, wasteful, volume purchasing, storing and inventorying of labels—the Weber Label Printer will run them off when and where you need them.

The compact portable, typewriter-size, fully automatic machine prints, counts, cuts to size, and stacks labels—at 105 per minute! It adjusts in seconds for different sizes and varieties of labels used in shipping, production, packing, inspection and other departmental work. Prints from stencil or rubber mat on gummed, ungummed, dry gummed, linen or pressure sensitive stocks.

Whatever the variety or quantity, you can now print all your label needs quickly and easily on a Weber Label Printing Machine. Get the facts on how you can save up to 90% on your label costs—mail coupon!

You get 7 Big Advantages

- No more buying labels
- No more typing labels
- No more label inventories
- Reduce claims
- Reduce theft and overshipment losses
- Address faster
- Ship faster

Weber
MARKING SYSTEMS
Sales and Service in all principal cities

reduce marking costs 90%

WEBER MARKING SYSTEMS
Dept. 19-J
Weber Industrial Park
Mount Prospect, Illinois

Please send me complete data on Weber Label Printing Machines.

Company_____
Individual_____
Position_____
Address_____
City_____ Zone____ State_____

(Circle number 176 for more information)

new V-belt conveyor for this purpose. Papers are carried upright in aluminum channels. Any number of lanes—each three inches wide—can be installed side by side to handle heavy volume.

Units can also be arranged to travel in opposite directions with stops wherever needed.

This production line technique for paperwork routines cuts the time lag present in usual document hand delivery systems.

For more data on Bayer office conveyors, circle number 226 on the Reader Service Card.

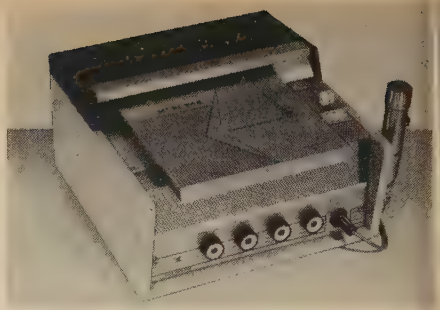
OFFICE ENVIRONMENT

Background music system can be bought or leased

A new music system, no larger than a typewriter, can be controlled by the user. Developed by Musi-Pak, Inc., the system utilizes a continuous magnetic tape cartridge that plays without interruption until the "off" button is pressed.

The unit, being self contained, poses no transmission problems or outside line interference.

A microphone input jack facilitates use of the system for paging or announcements.



Self-contained music system has microphone input jack for paging.

Musi-Pak also provides a large library of cartridge tapes of every type of music, including seasonal recordings.

For complete information on this new music system, circle number 213 on the Reader Service Card.

It's only natural for a salesman to try and stretch the life of a car he owns and uses for company business. But, when his car breaks down on the road he stands to lose time and money. You stand to lose orders and money.

There are many reasons why more than 500 leading companies in all industries use the unique PHH Car Plan. Assuring safe, up-to-date automotive transportation under a program that can be more equitable for the salesman and more economical for you, is just one of them.

There are many more salesmen and management benefits available to you with PHH Services. If you employ 20 or more salesmen using transportation, call or write today for full information and a copy of our brochure entitled "A Look At The Peterson, Howell and Heather Car Plan."

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Complete Management Services for Salesmen's Car Plans
2521 North Charles Street—Department B-7
Baltimore 18, Maryland
In Canada—3970 Cote des Neiges Rd.
Montreal 25, P.Q.

PHH

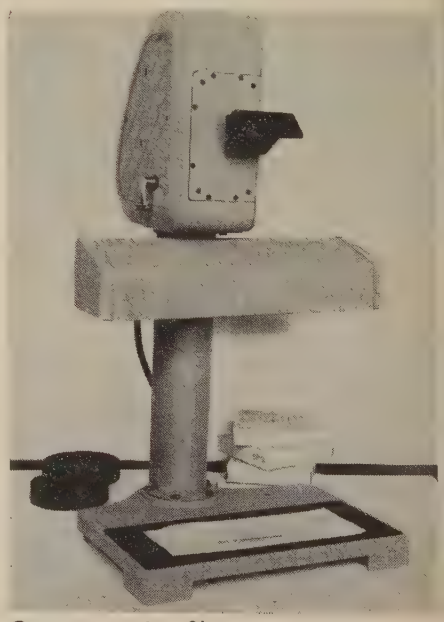
(Circle number 153 for more information)

RECORDKEEPING

Low-cost microfilm recorder is simple to operate

A new simplified microfilmer carries the low price tag of $450—with a rental charge of $15 a month.

Weighing only 20 pounds, it can be readily moved to point of need. Marketed by Regiscope Corp. of America, the microfilmer requires no focusing and records details sharply.



Compact microfilm is just one foot wide and deep by 25 inches high.

A light touch of the lever records each document and automatically positions the 16-mm film for the next picture. Used portions

Even after hundreds of imprints, the Elliott addressing stencil gives a

clean-cut impression

EVERYTHING SHARP AND CLEAR, NO FUZZY EDGES, NO BROKEN LETTERS, NO SMEARS with the famous light-weight Elliott addressing stencil, even after long usage. This is the stencil that packs so compactly, handles so lightly, perfectly designed for selectivity operation — all at an incredibly low cost. This is the stencil that can be typed on any ordinary typewriter, no expensive special equipment necessary.

That's why businesses big and businesses little all over the country use the Elliott Addressing System, designed to suit mailing lists from hundreds to millions, to address mailing pieces from small size cards to mammoth broadsides.

ELLIOTT

0,000 Americans moved last year. The Elliott Addressing m easily keeps pace with your ever-changing mailing lists.

EIGHT — *a whole d of 125 stencils only 8 ounces.*

TYPEWRITEABLE — *anyone who can run a typewriter can make stencils.*

MAXIMUM SELECTIVITY: *Elliott can automatically imprint specially chosen names for any special job. Hundreds of selective addressings possible.*

umber 119 for more information)

Elliott Addressing Machine Company
143 Albany St., Dept. MM-100, Cambridge, Mass.

Please send me information about the cost-saving Elliott Addressing System suited to my size mailing list, which is .....

Name & Title _____

Company _____

Type of Business _____

Street & No. _____

City _____ Zone ____ State _____

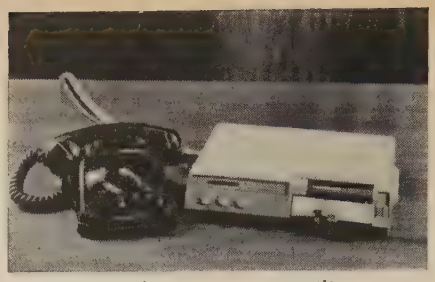
of the film can be developed without disturbing unused footage, thus eliminating waste of film.

For more details on this low-cost unit, circle number 242 on the Reader Service Card.

NETWORK DICTATION

Phone away your correspondence

With the new Dictaphone Telecord system, you can pick up a phone and talk away your reports and correspondence to a remotely located Time-Master recorder.



New Dictaphone system utilizes economical network principle.

Such network dictation, feeding into one central transcribing pool, has proved to be a time and cost saver for firms that have tried it.

The Telecord system can be adapted to internal dial phone systems, such as Bell PBX, or separate phones can be installed exclusively for dictation purposes.

A red light on the phone signals when the remote recorder is in use. In multiple recorder systems, lights indicate which recorder is free.

For more information about this new Dictaphone network system, circle number 208 on the Reader Service Card.

So automatic and accurate you can start it and walk away!

Freedom from machine tending is only the beginning! The new Gathermatic by Thomas Collators brings to collating the speed and accuracy of larger, more expensive equipment...at a cost unbelievably low. Write today for complete information on the many ways you can speed up your collating operation and substantially reduce your costs.

- Offers more features at a lower price than any other collator of its kind
- Automatic miss and double sheet detectors stop machine instantly, prevent errors
- Stations can be skipped at the flick of a lever without hindering the full production rate
- Loads in a minute...each station takes approximately ½ ream of 3"x5" to 11"x14" sheets in various weights and finishes
- Gives over-all speed, ease and accuracy features formerly available only in large-scale collators
- Automatically collates, counts, crisscrosses or staples 6,000 sheets per hour

Thomas Collators Inc.
World's Leading Manufacturer of Collating Equipment
Dept. D3, 100 Church Street, New York 7, New York
(Circle number 170 for more information)

OFFICE ENVIRONMENT

Styled for dispensing executive hospitality

An attractive office cabinet houses all the facilities for wining and dining visitors.

Designed by Crane Co., the compact unit includes a four-cubic foot refrigerator, a two-burner electric stove, freezer, sink and enough storage space for snacks or a meal.

The "kitchen-in-a-cabinet" comes in a choice of five natural wood grain finishes.

Complete refreshment facilities are concealed in one compact cabinet.

For more details on the President Chef cabinet, circle number 220 on the Reader Service Card.

ELECTRONICS

Low cost scientific computer acquires expanded capabilities

A desk-sized engineering computer can now turn its high speed mathematical abilities to solving technical business problems as well.

The new features that extend the capabilities of the IBM 1620 are a tripled memory capacity plus punched card input and output.

For present users of the 1620 computer, both features can be installed on the customer's premises in just one day. *continued on page 98*

■ HERE IS A LOW-COST, highly effective approach to office cost control —an approach that is tested and proven. It works even if you have no more than five people doing repeat work in your office.

The book is written by the president of one of the world's most highly respected management consulting firms, H. B. Maynard, and two of his associates in the H. B. Maynard and Co.

The Maynard approach to office cost control and reduction is based on a set of standard time values covering 95% of all office tasks—priceless data developed during years of painstaking work.

These time values, called Universal Office Controls, are published for the first time as part of *Practical Control of Office Costs.*

Equally important, the book spells out—in clearcut, step-by-step, easy to understand language—how to apply these controls with full employee cooperation. It tells how to break down the barriers that have caused today's tremendous differential between office and factory output.

Just buying this book will *not* solve all your problems of office cost reduction. But if you apply with properly qualified personnel the program set forth in this book, you can definitely expect office performance to go up to as much as 80 to 100%. And the program itself costs no more than 1% of total office costs.

Practical Control of Office Costs helps you answer key questions like these:

How many people do we really need? When is overtime justified? Which new equipment can pay for itself? How long should it take to type a letter . . . find a folder . . . make a phone call . . . total a column of figures?

Practical Control of Office Costs has been called one of the biggest contributions to management in the last decade. It contains 10 idea-packed chapters, 36 tables of standard time values in seven major categories of office work, 11 standard allowances for miscellaneous work, plus six helpful forms.

YOU CAN

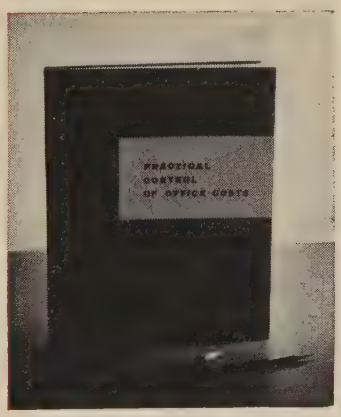
SLASH OFFICE COSTS

20 to 30%

in a few months

That's the promise in an important new book by three experienced authors

PRACTICAL CONTROL OF OFFICE COSTS



by H. B. Maynard, William M. Aiken and J. F. Lewis

The book's table of contents:

Immediate results you can expect with practical office controls—"It is not unreasonable to expect cost reductions of 20 to 30% within a few months, with further savings in the following years."

Facts about the Universal Office Controls and how they were developed—"All manual work can be analyzed in terms of basic motions. Universal Office Controls are built on this fact and therefore are *universal* in their application."

Eight ways to use Universal Office Controls—You can get *factual* answers to questions like: Who are our best workers? . . . Should we mechanize our office work? . . . How much does each report cost? . . . Should we use temporary help.

How to apply Universal Office Controls—Here are the steps to take to control costs with Universal Office Controls. Sample forms are given, plus a caution on how to avoid human relations problems.

Ten questions that test the efficiency of your office—Symptoms of poor efficiency will stand out when you observe the office in the light of these questions. Or you can use work sampling, which is described.

How to organize definite tasks for the office force—Here is the easy, systematic way to assign definite tasks, using task lists and work distribution charts.

How to establish effective methods in the office—A review of the two chief techniques for testing and improving the efficiency level of your present office methods.

How to set time standards for office tasks—Here, in step-by-step form, is a case example of how to create sound time standards that can be easily attained by the average worker.

How to install your program of Practical Office Control—Based on experience in firms where this program has been profitably used, you get a plan of action to take, and pitfalls to avoid.

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The expanded version of the data processing system ups the core storage from 20,000 positions to 40,000 or 60,000, together with punched card input and output.

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Because the 1620 utilizes a variable word length system, it conserves magnetic core storage.

Able to make more than 100,000 calculations a minute, the basic system solves complex scientific and engineering problems. Now with these added refinements, the computer can handle production forecasting, payroll, inventory control, quality control and other related functions.

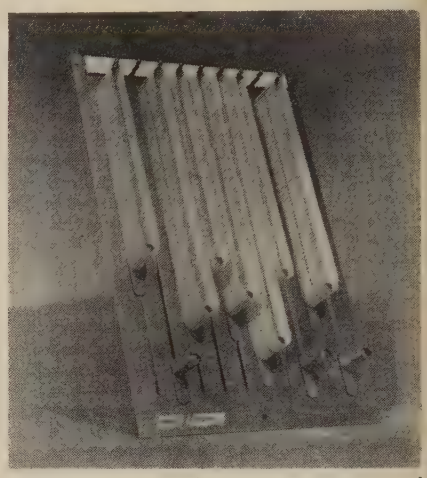
The basic 1620 paper tape system rents for $1,600 a month and sells for $74,500. With the largest core memory of 60,000 digits, the expanded system carries a monthly rental of $3,275 and a purchase price of $156,900.

For technical details on this solid state IBM 1623 computer, circle number 230 on the Reader Service Card.

DATA PROCESSING

New rack organizes paper tape storage

Just introduced by MAC Panel Co. is a Carriage tape rack for convenient, orderly storage of paper tapes used with IBM 402, 403, 407, 408, and 409 data processors.



Handy MAC Panel's Carriage tape rack prevents mutilation of paper tapes.

The rack can be mounted on the wall or attached to the processing machine.

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For complete details on this new paper tape accessory, circle number 205 on the Reader Service Card.

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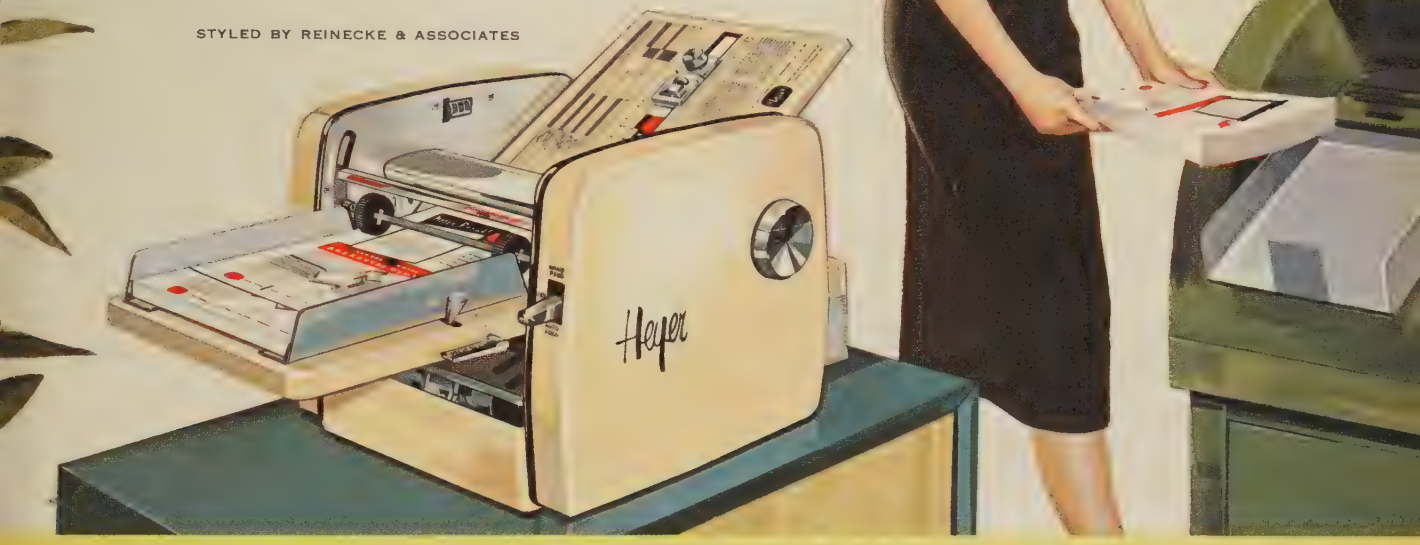

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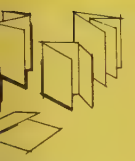

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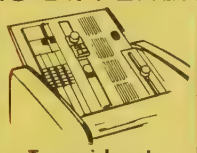

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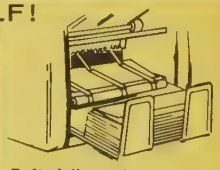

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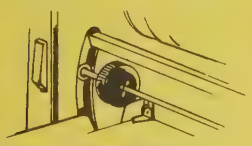

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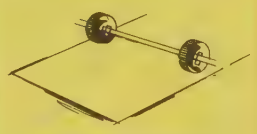
Vastly improved Sheet Separator Fingers eliminate side retainers and tricky adjustments.



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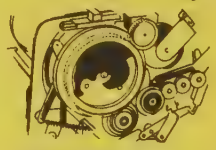

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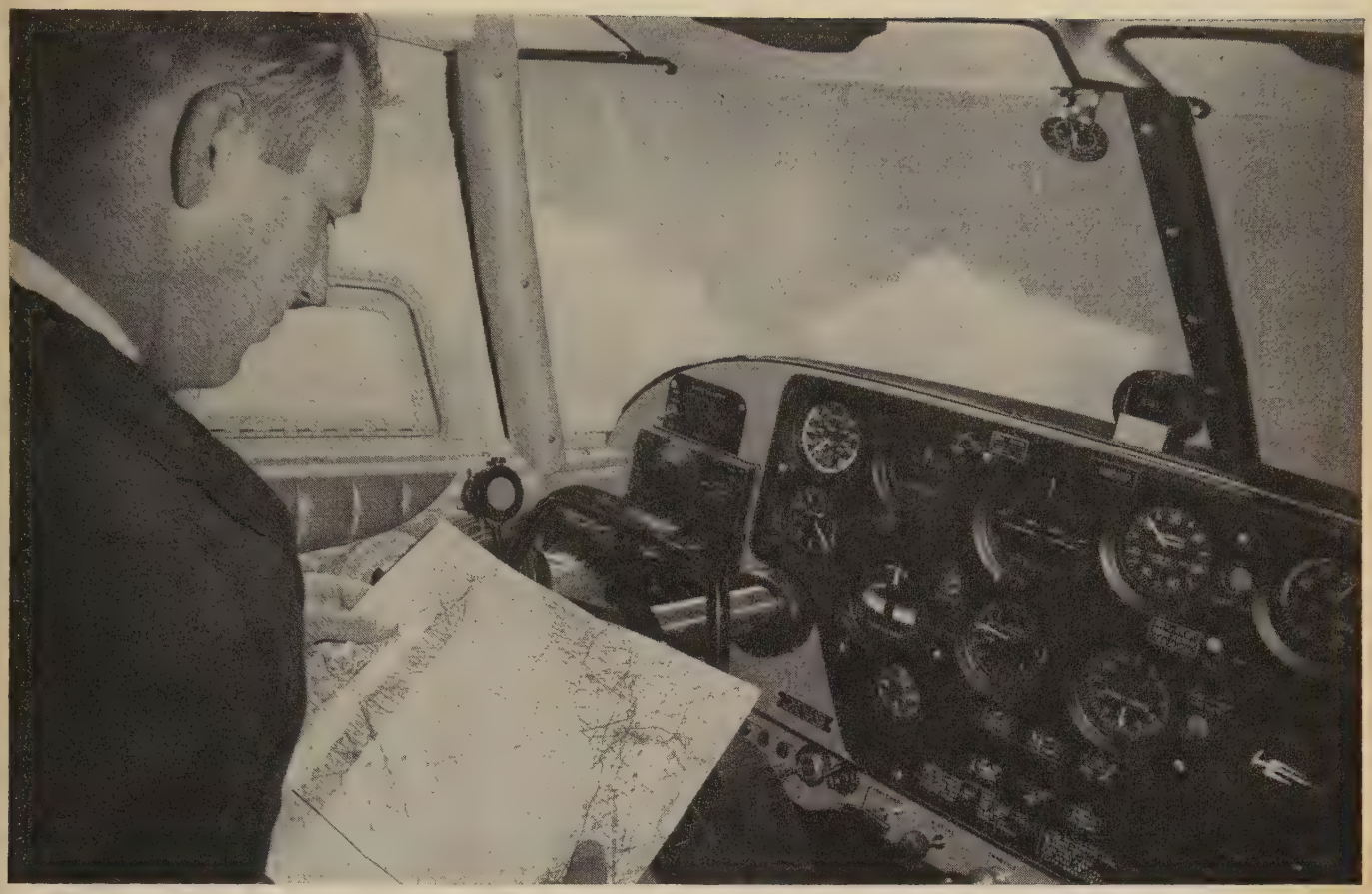

Setting the plane on auto-pilot gives the flying executive a chance to relax, check his maps, do some quick reading or check ahead for weather conditions. Auto-pilots come as an "extra" on nearly every type of business aircraft.

plane in after two years, so it was depreciated over two years ($8,000 per year). The income tax saving on depreciation was 30% of $8,000, or $2,400. This brought the *real* purchase cost down to $14,400 ($16,800 minus $2,400).

At the end of one year, the resale value of the plane was $12,500. There is a capital gains tax applicable in the event of a resale. It is 25% of the difference between the resale value and the depreciated value. In this case, it would be 25% of $4,500 (difference between $12,500 and $8,000), or $1,125. This is a cost, and must be added to the *real* purchase cost of the plane ($14,400), that brings the cost back up to $15,525.

Of course, the company can count the $12,500 as an asset. That means, on paper at least, the plane cost the company $3,025 to own for one year (cost of $15,525 minus resale value of $12,500).

There were other fixed costs. Hangar rental was $300 per year. Insurance cost $1,167. There were miscellaneous expenses of $20, bringing the total to $1,487. There was a tax saving on this figure, too (30%), which came to $440. That, in turn, brings the total of $1,487 down to $1,047.

Total cost for oil, gasoline, maintenance and tiedown, and landing fees for the year was $1,650. The same 30% tax deduction was allowed. That amounted to $495 (30% of $1,650). So the *real* operating cost was $1,155 ($1,650 minus $495).

Add the operating costs ($1,155) and the fixed costs ($1,047) to the "ownership" cost ($3,025), and you get $5,227—White's estimated cost of owning and operating the plane for one year.

Here's one example Vice President White uses to illustrate how his company uses the plane. "Recently, the chief engineer, the plant superintendent and I flew down to Atlanta from Elkhart on a trouble shooting job. With three key men away from the plant at the same time, it was important to get at least one of them back quickly. With our Cessna, this was a cinch. The man didn't have to waste time waiting for a scheduled plane."

Most major aircraft manufacturers have some sort of mathematical formula to show how much money you actually save by using a company plane rather than other methods of transportation. Two such examples are Aero Design & Engineering Co.'s Time Travel Analysis and Cessna's Value Per Mile formula. (On request, these companies will tell you how you can adapt this formula to your company's specific situation.)

Nearly every aircraft company has leasing plans, too. The advantage of leasing a plane is that you need very little capital to begin a flying operation.

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hour. There are some disadvantages to this arrangement, however.

Here's one, from a man whose firm now owns a plane. "In our area, it costs $25 an hour to rent a small plane. However, the rental planes aren't as well equipped and they often can't be rented at the time they are needed. Also, they can't be kept away from the area for extended periods of time without a minimum flight time guarantee."

"Every cost must be taken into consideration before a firm buys a plane," says aviation expert C. Glen Williamson. "Varied accounting practices, to say nothing about esoteric terminology, make it difficult to say anything concrete about what a plane will cost one specific company. But it is safe to assume that the minimum any firm will have to shell out is rarely under $15,000 per year. That's for the very smallest operations. The upper ranges are almost astronomical for multi-engine operations. Consider that the *real* operating costs of just one large plane flown 900 hours a year can be over $400,000. In any event, it makes sound management sense to pre-examine all costs, purchase price plus operating costs, before starting a flying operation."

Several aircraft manufacturers take objection to Williamson's figure of $15,000 minimum operating costs. Cessna, for instance, points out that the operating costs for a Cessna 150, based on national averages for 600 hours of operation, can be as low as $4,000 annually. Other manufacturers quote minimum operating figures anywhere from $6,000 to $9,000 for single engine aircraft. And there's the previously mentioned example of the White Manufacturing Co.

A final note: it is expensive to own and operate a plane. But the thing to consider is this: will it cost you *less* (or save you more) to travel by company plane than by any other transportation method? If you have sound reasons for owning a company plane, chances are the costs will soon fall into line.

How to manage a plane

■ You can determine your need for a plane accurately. You can select exactly the plane you need. In some cases, you can determine costs almost to the exact dollar.

But unless you take the right management actions the whole flying operation is likely to backfire.

"Failure to set up sound policies and procedures right at the beginning will probably lead to expensive misuse of the aircraft. It can cause such dissatisfaction that a company may stop its operation and dispose of its aircraft without ever having detected the good that can be derived from a properly organized flying program," says C. Glen Williamson.

What, then, are the right actions to take?

■ **Set up a "purpose priority" for the use of the aircraft.** It's assumed you bought the plane for a definite purpose. Make sure it is used for that purpose, and nothing else. No company permits its computing machines to be used for figuring out horse racing odds. Similarly, don't let the plane become a "toy." If a plane was purchased so that salesmen could cover a larger area faster, don't let an executive who wants to visit his hunting lodge "bump" the salesman off the plane.

Conversely, if a 10-seat plane

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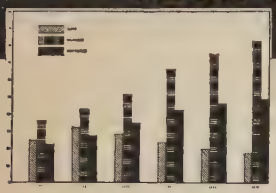
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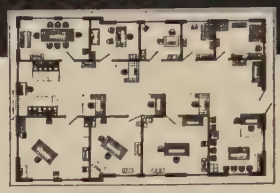
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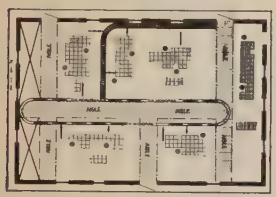
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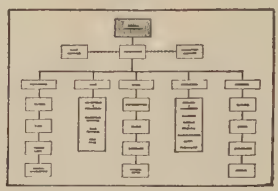
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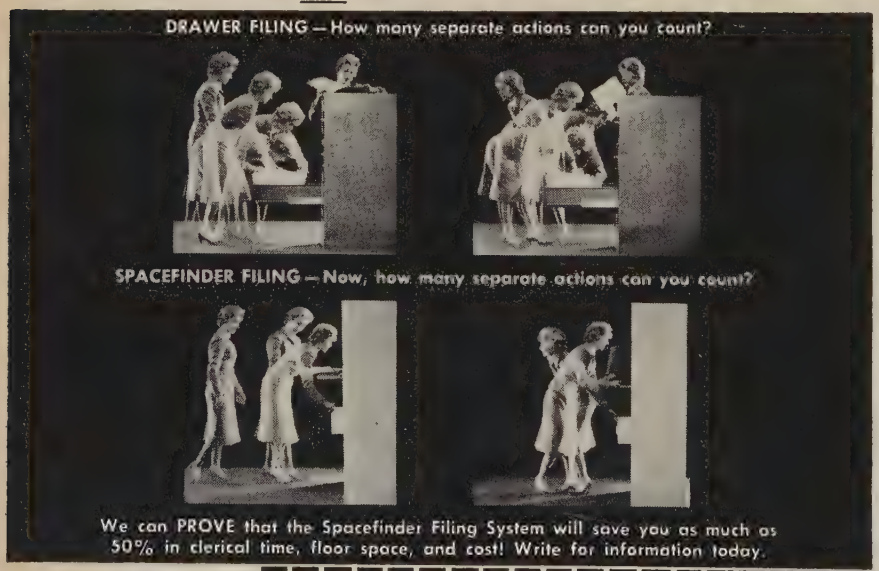

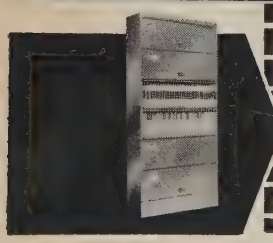

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was purchased so that top management could use it frequently to travel to distant plants, don't let one salesman take it for that "quick trip" 300 miles away.

Set up a policy, and stick to it.

■ **Determine a schedule for the aircraft.** You know who is going to use the plane. Find out how often it is to be used, and where it is going. See if you can consolidate trips. It's a waste of money for one salesman to be flown to one city, then have the pilot bring the plane back, pick up another man and fly him somewhere else. Used inefficiently, a plane will burn a hole right through your budget.

■ **Keep an accurate record of costs.** That way, you'll know if the operation is conforming to the estimate you forecast. If costs are climbing, find out why. Don't let them pile up for a year, then gasp when you find out what they total. Corrective action, taken early, can save you money.

Do you need a pilot?

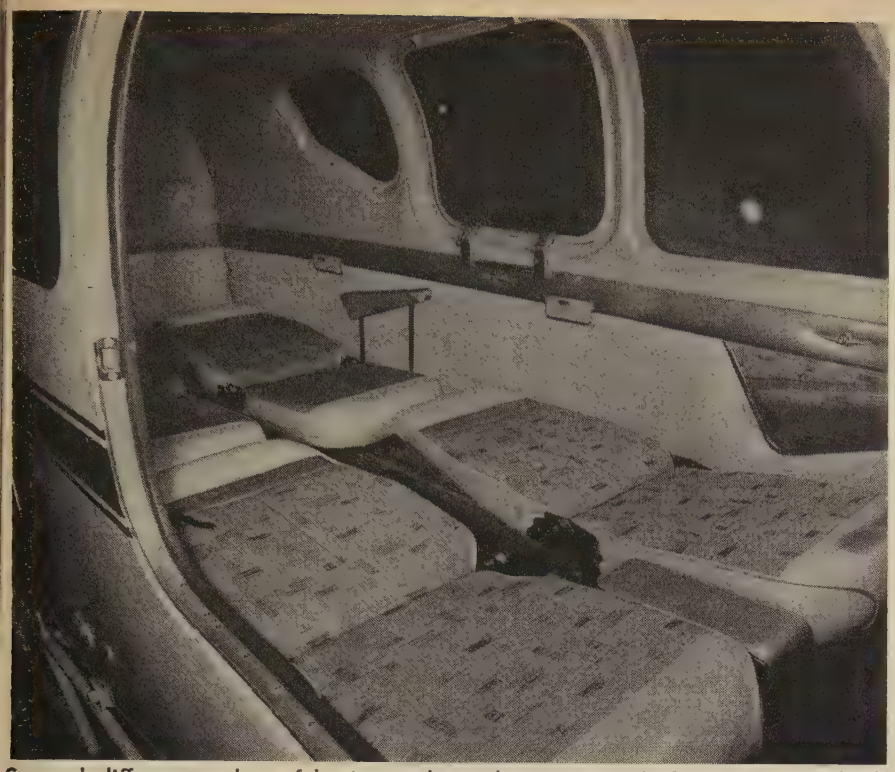
■ Not every company needs, or can afford, a pilot. Some executives prefer to fly themselves. When they follow safety rules strictly, this arrangement usually works perfectly.

But a pilot can definitely help. With his knowledge, he can advise you on proper maintenance and economy procedures. Most important, he can tell you when the weather is suitable for flying, *and when it is not.*

This is a very definite area of management responsibility. If you have a pilot, make sure his advice is sought, *and followed.* A pilot's knowledge and skill are valuable only insofar as management respects his professional judgment and uses it adequately.

One company president, a pilot of three years experience, reported that he always consulted the firm's professional pilot before he took off. But he gave incidents in which he has ignored the professional's advice and gotten away with it—so far.

This is a typically bad case, but the danger of overruling pilots comes more often from executive passengers than from executive pilots. Some executives will ask the pilot to push through bad weather when they know an important meeting waits at the destination.



Several different makes of business planes have seats which convert into beds. Passengers have a chance to catch a quick nap while flying to an appointment.

That's why this should be a basic rule: no one, not even the company president, can countermand a decision of the professional pilot, particularly while the aircraft is in motion.

Actually, the question of whether a company should employ a professional pilot is a policy matter that affects safety, efficiency, and optimum utilization. Of course, the alternative to hiring a pilot is to have executives who are part-time pilots. Though many executives are fine pilots and extremely safe fliers, the experts voice several objections when executives fly business aircraft. Here's why.

Even the most avid part-time pilots seldom have the time to keep themselves fully proficient. Merely keeping up with airways procedures is time consuming. However, keeping flying skills and reactions at peak level is even more difficult for the average businessman pilot. The professional pilot reacts instinctively and almost instantly to a sudden emergency. He does not waste what might be vital seconds reasoning before he acts. And his decisions are not clouded by thoughts of piled up work at the office, thoughts which might make a businessman pilot push his luck too far.

But many companies cannot afford a full-time pilot. Others don't want one. In fact, here are figures developed from a recent Cessna survey which covered the 3,459 Cessna aircraft sold between March 1959 and June 1960.

- 2,548 buyers intended to fly their own planes.
- 582 planned to learn to fly their own planes.
- 329 reported they would hire a professional pilot.

In other words, 90.5% of these aircraft buyers planned to fly their own planes. Only 9.5% planned to use a pilot. Even 60% of the buyers of Cessna's largest aircraft, the twin engine 310D, planned to fly it themselves. Only 40% intended to hire professional pilots.

The fact is that business aircraft are designed and built to be easy to fly. That is one of their chief advantages to flying executives.

But this fact remains: when executives fly themselves, it is vital that management set up strict safety policies, and see that these policies are obeyed.

What about insurance?

- There's one problem that many executives with large insurance policies face: the policy may *not* pay off in the event of death on a nonscheduled flight.

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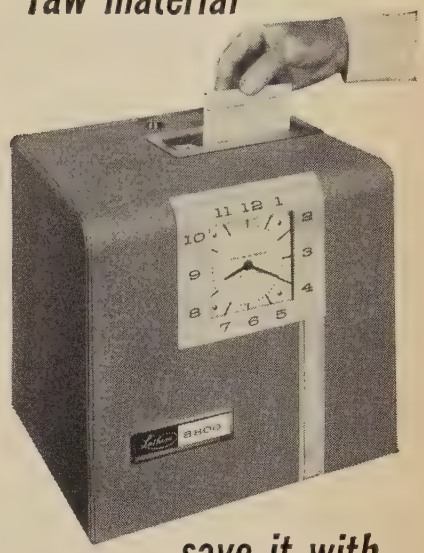

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could fly in business planes and still be covered by their present policies, MANAGEMENT METHODS editors went to the Insurance Co. of North America, one firm which issues flight insurance. Here's what one official reported:

"We can always provide the necessary extension to cover an executive if he flies in a company plane. It can be done two ways. Either a rider is written into his present policy, for which he pays an additional premium, or we cover him with an additional separate policy. Whichever method we use depends on the form of his present policy."

Where can firms with business aircraft buy insurance to cover individuals who fly in these nonscheduled planes? The New York Institute of Life Insurance reports that about 63% of the insurance companies will issue policies to passengers in nonscheduled aircraft at standard rates. Normally, company group insurance also covers employees riding in a business plane, if they are non-pilots. Sometimes, such blanket policies cover the pilot as well. Five general life insurance agents reported that usually, if a businessman-pilot has 400 hours of experience and flies less than 100 to 115 hours annually, there would normally be no rate increase in his policy.

Whenever a company flies its own planes, it's mandatory that the company take out insurance. Usually this insurance is issued on a per-seat basis. In other words, the insurance company writes limits of insurance applicable to each seat in the aircraft. The occupant is automatically covered whether he be employee, crew member or guest. The Insurance Co. of North America sets the limit of insurance per seat at $100,000, although the limit for smaller aircraft may be reduced to $50,000 per seat.

How much insurance can one executive buy to cover himself for nonscheduled flying? One insurance firm sets the maximum coverage at $150,000, and this appears to be typical throughout the insurance industry.

How much does insurance cost? Premiums for individual insurance policies can run as high as $1.75 per thousand. Rate levels for this broad coverage are somewhat "loaded" because the insurance company has no guarantee that executive pilots will follow strict safety procedures, and because business flying is so frequent. There's an interesting sidelight here.

Some firms, which pay only lip service to stringent safety measures, are responsible for keeping business flying insurance rates higher than they need be. The flying safety record of many companies, on a passenger-mile basis, is better than that of the commercial airlines. But these companies have to pay extra premiums because of the few firms that ignore some of the policies essential to flight safety.

Part of business flying's good safety record is a result of government regulations concerning maintenance and overhaul matters, airway procedures and pilot rating. But as the managements of more firms apply safety policies *at the top level*, business flying may earn the right to more favorable insurance rates.

Meanwhile, personal safety should be sufficient incentive for proper action in this area.

Summary

- The point is this: there is no longer any question about the real value of business flying.
- Business aircraft can give a company a great competitive edge.
- Company-owned planes are an invaluable aid in market expansion.
- Planes add a new dimension to service operations.
- Aircraft greatly enhance the company image and prestige.
- They save great hunks of time for key personnel, increasing the on-the-job efficiency of highly paid executives.

But, the value received by a particular company will always be low as long as management considers business flying to be more of a luxury and convenience than a truly profitable operation deserving top management attention.

There's more to buying a plane than picking the one with the sleekest lines or the one whose interior most resembles a cocktail lounge.

There are strict management principles that must be applied to the purchase of a plane, similar to the ones that are applied to the purchase of any major—and expensive—asset. And there are actions management must take to make flying a profitable activity, not a "keeping up with the Jones" lark. ■

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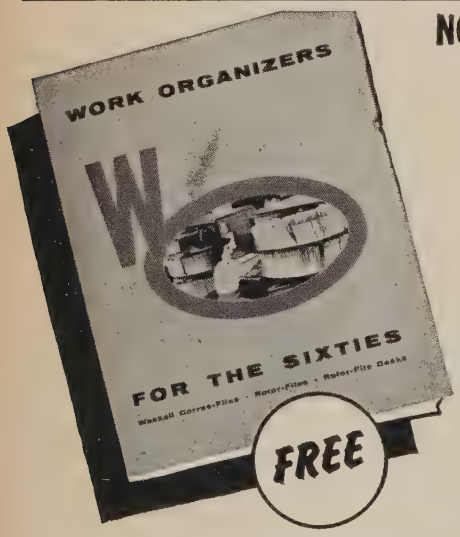

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32 PAGES OF ANSWERS to High Clerical Costs

Here is the story of the new Wassell Work Organizer principle of filing — full of ideas and examples of how major firms are using Wassell filing systems to save time and dollars.

"There are twice as many office workers today as in 1940; 100,000 more than a year ago."

—National Machine Accountants Association, January 1960

"In manufacturing industries, the rate of growth of non-production workers since 1947 has been about 15 times that of production workers."

—Office Equipment Manufacturers Institute, September 1959

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Plant site
continued from page 59

what the tax burden will be is a difficult, yet essential, factor in plant location decisions.

Consider, for example, "nuisance" taxes. One company treasurer has reported that by moving from one state to another, their workmen's compensation insurance rate had increased $2.47 for each $100 they were paying to employees as wages.

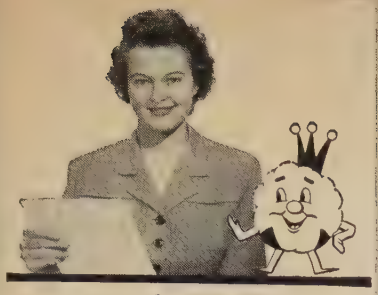
Another area of "surprise" costs is state unemployment insurance rates, which can range from nothing to all the way up to as much as 2.7% of company's total payroll.

And minimum or non-existent corporate income taxes can be foolers, for personal property taxes, assessments on machinery, inventory, and goods in process can easily exceed corporate income taxes.

Even local conditions must be investigated. Consider which of these two communities offers a better potential location: City A has a minimal tax on industry, but roads are in poor condition, police protection is poor, sewage disposal facilities are inadequate, schools are overcrowded, and so on; City B taxes industry more heavily but has kept municipal facilities in good shape. It's obvious that in exchange for a low tax rate in City A, you'll somehow have to provide for missing or rundown facilities yourself—or else pay for them soon through much higher taxes. Cities A and B are extreme and fictitious cases, but there's at least an element of them in most of the decisions that are made as to where to locate a new plant or other type of building.

11 You may find lower costs a lot nearer your own backyard than you'd think at first.

One of the more common, more compelling reasons for seeking a new home is a search for a more favorable labor climate, and, most often, this distills down to looking for equally or more skilled and reliable workers who can get your work done for you at a lower level of cost.



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Don't wait to be asked.
Mail a dollar or more to HOPE, Box 9808, Washington 15, D. C.

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Because of this approach, many of our southern states are experiencing an industrial renaissance. To many companies, the South is the place; besides labor, it has climate, raw materials, and a well-known receptive attitude toward incoming industry.

But in probably as many cases, more money can be saved by moving some place closer to the spot you are now.

Prevailing labor rates in many north-central, medium- and small-size cities—for instance, in Pennsylvania, Ohio, Indiana, Illinois and Iowa—are at least competitive with dominant rates for similar skills in the South. And these northern cities retain advantages of their own—for instance, in transportation availability, nearby supporting industries, and so on.

In brief, preconceived notions about regions don't apply in successful plant location. Instead, take the point of view that the world is your oyster. It's a sure way to avoid getting stuck.

12 Use local industrial development agencies wisely. There is no more willing or effective source for local information. But never forget that responsibility for the decision is yours, and therefore your independent research is often called for.

I don't know of any unscrupulous local industrial development agency, and I doubt that there are any. Still, the primary obligation of each is to its own community, and therefore, with reasonable salesmanship, their function is to accentuate the positive. But even the best of locations has some negatives. It is your job to find out what they are and just how important these negatives are to your company.

There are some 10,000 industrial development agencies in the United States, and you're going to make only a small number, maybe only one, happy. But each community you deal with will do its best to convince you it is ideal for your plant, so be sure before decisions are made that you have *full* information about that prospective new plant site. ■

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A day lost can cost its customers up to $10,000 so Hughes Tool Co. of Houston, Texas, relies on Delta to rush vital equipment to the field.

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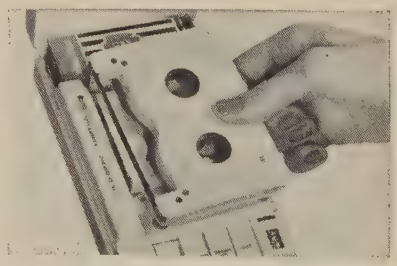

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Rackets

continued from page 62

wanted. The cognovit note Larry had unwittingly signed meant that if he slipped just once in getting his payments in on time, he could be sued for the full amount due, plus the costs of the suit.

Under the legal terms of the cognovit note, getting a judgment against Larry was no problem. However, the judgment is just a preliminary to a garnishee—a court order forcing an employer to hold up all or part of an employee's pay. And a garnishee requires a hearing. Here's how the "manager" got around this.

Larry lived at 96514 Maple St. The notice of the garnishee hearing was sent not to 96514, but to 96541 Maple St. by registered letter. Larry

Garnishees: the big bite

naturally didn't get the letter and wasn't at the hearing. He didn't hear the "manager" tell the judge that a notice of the garnishee proceeding had been sent to him by registered letter.

The judge was also told that Larry was unmarried, although he had a wife and four children. He was garnisheed as a single man, with his entire pay held up until the jeweler received $300. (The law in Larry's state says that if a man is married, only 20% of the first $200 of his monthly wages and 40% of his wages above $200 can be garnisheed.)

Larry naturally hit the ceiling when, a few weeks later, he found his entire paycheck was held up. But legally, he was trapped.

Most garnishees average around $40. When a man's pay is held up, he often wonders where the grocery money is coming from and settles

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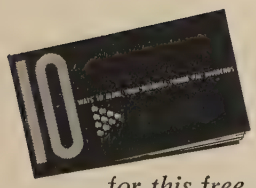
Many executives today have lost personal and profitable contact with business because too much of their own valuable time and talent are consumed by office paper work. Reynolds and Reynolds representatives are experts at eliminating deadwood paper work, trimming and revitalizing existing forms to streamline office procedure, or economically designing and coordinating new forms into an efficient, integrated system. Hundreds of large and small companies have enlarged their business perspective by installing Reynolds & Reynolds custom-tailored payroll checks, voucher checks, purchase orders, invoices, inventory records, production records, letterheads, envelopes, customer statements, machine accounting forms, bills of lading, journals and ledgers—to mention a few!



Have a Reynolds & Reynolds representative go over your paper work with you! There's no obligation!

Write to the Reynolds & Reynolds Company, Dayton 1, Ohio for this free booklet "10 Ways To Make Your Business Forms Pay Dividends"

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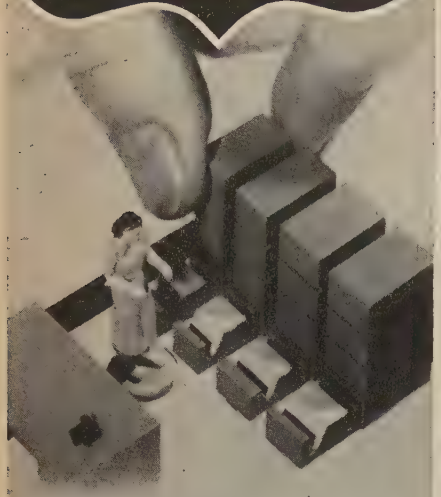
office planning begins HERE



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quickly. Gyps keep the amounts low enough so the victim will give in instead of making a fight.

How to be safe

Here's a checklist of tips worth passing along to your employees. Properly followed, they can save anyone from the swindler's squeeze.

1. Don't be fast-talked into signing "receipts" just outside the plant or office door. Read everything you sign; the joke about "small print" is no joke. Insist on a copy of what you've signed.
2. Avoid amazingly low "discount" or "wholesale" prices.
3. Before buying anything at the plant gate, ask to go to the store the salesman represents. Check its reputation.
4. Be wary of dealing with discounters not located in your town. If you get a raw deal, you can easily be stalled, if you're a safe distance away.
5. Don't be enchanted by the word "discount." Check prices of the same models in stores you know. They may be lower than the "bargains" offered elsewhere.
6. Beware of furniture or appliances with brand names you don't recognize. Make sure you're not buying outdated models represented as the latest, or damaged models or seconds represented as perfect.
7. Don't buy from a discounter unless you get a manufacturer's warranty.
8. Find out about "extra charges" (delivery or installation) and be sure they're set down in writing.
9. Avoid buying through a third party.
10. If you don't know much about the product you're buying (appliances, jewelry, furs, etc.), make sure you can rely on the integrity of the store you buy from.
11. If you get over your head in debt, seek legal advice. It is often possible to set up a trusteeship through the courts, under which your debts are lumped together and paid on an orderly basis that is best for you and your creditors. Don't be talked into an exorbitant loan and avoid loan operators.
12. When in doubt, check with your local Better Business Bureau. Its sole purpose is to protect you and everyone else in the community against fraud and chicanery. ■

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Many MANAGEMENT METHODS articles—usually the best ones—are reprinted to fill special demand. Here is a list of available reprints. As long as supplies last, you may order copies—*in any combination of quantities*—at the rates listed at right.

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Any five reprints	50¢ each
From five to 10 reprints	45¢ each
From 10 to 15 reprints	40¢ each
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From 20 to 25 reprints	30¢ each
More than 25 reprints	25¢ each

NUMBER

14. What to do after a fire. Any fire is costly. But you can minimize its effects before it starts and after it's out. Here are cost saving ideas to keep handy in case of fire.

17. How to pack more power in your words. One measure of your executive ability is how well you get your ideas across. Based on the experience of experts, here are eight guides you can use to get more meaning in your words.

19. How to size up a man in 16 minutes. You haven't got all day to interview job applicants. Here's a shortcut—a set of eight questions to ask that will give you a quick idea as to whether the man is right for your firm.

22. Will work music really cut your labor costs? Work music: cost cutter or frill? This article tells you the results work music can produce, how much it costs, where it works and where it doesn't.

23. Why forecasts fail. Forecasts often fail because decision-makers overlook their limitations. These examples will help you sharpen your decisions based on forecasts.

27. How to rate an advertising agency. Your present ad agency is probably best for your firm. Use this checklist to be sure—or to rate other agencies that may court your business.

28. Stop wasting your time, Mr. Executive. Many efficient managers are trapped into overtime because they waste time. Here's how to stop that costly waste and cut unnecessary hours on the job.

29. How to design profits into your products with value analysis. Value analysis, originally an engineering concept, brings big profits when used to improve product design. These cases show how the concept works.

30. How to improve your selection of advertising media. Good ads in the wrong media produce poor results. This article tells why so many ads are in the wrong places and what to do about it.

31. How to make a merger. At the stroke of a pen, you can achieve results through a merger that often take months or years to accomplish. But it's how you do it that counts. Here's how to avoid the pitfalls and make a merger profitable.

32. How to get profits—not problems—from creative people. Creative people can bring big profits—and big problems. Here's how to find the creative people in your company, overcome the problems they present and steer their creative drive.

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37. How to cure those costly "I've got a cold" absences. Many colds are not colds at all—they're simply excuses to stay home. Here's how to cure the so-called "sickness absences" that cut deeply into your company's profits.

38. What does it cost when you lease an auto fleet? Many firms are turning rapidly to providing leased cars for their salesmen—according to a major survey just completed. Here are the findings of the survey, together with other facts to support the case for auto leasing.

39. How to handle the problem drinker. Every firm has its share of problem drinkers—people who can cost a firm thousands of dollars in ways you might never realize. Firing is one attack to the problem, but these positive actions can help you salvage the man and his job.

40. How to generate a business from just an idea. Profits start with ideas—but imaginative management action is needed to turn ideas into profits. Read how one man with an idea for an improved product created a new multimillion dollar business in just nine years.

43. Should your company make a movie? Motion pictures produce profits as selling tools, training aids, or creators of vast public goodwill. This article tells when to make a film, what it costs, and how to get it to influential audiences.

44. How to convert your ad inquiries into sales. Valuable sales leads produced by advertising are wasted by most companies through mishandling. This article details a simple, low-cost inquiry handling procedure that will help you turn more ad inquiries into profitable sales.

46. Eight ways to lose the right to manage. Your right to manage can be destroyed—permanently—by simple mistakes. Here, you learn how to avoid falling into this trap. Cases pinpoint the areas where your right to manage is in jeopardy and show you how to hang onto the rights you have to keep.

47. Sharpen management with data processing. You make a mistake if you think of data processing as just a clerical time saver. Here's how to use it to sharpen executive decisions.

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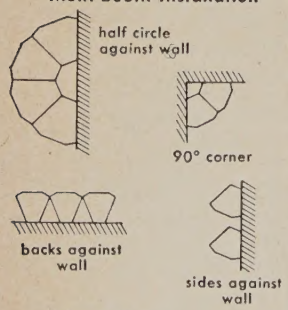

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